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The Royal Institute of International Affairs

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Notes of the month

REVISED SOVIET FARM TRADE PLANS?

THE revised tenth Soviet Five-Year Plan (1976–80) passed into law by decision of the Supreme Soviet in late October 1976. The bumper harvest announced on the same occasion has not led to any substantial revision of the agricultural targets appearing in the first draft presented in December 1975. But despite the unchanged main production and input indicators retained in the latest version of the plan, there is some evidence of a change in the strategy underlying the targets set for the feed/livestock sector. This could have consequences for future import prospects for grain and oilseeds.

The exceptionally large variation between the 1975 and 1976 Soviet harvests—80 million tonnes, around five times the normal United Kingdom total harvest—illustrates the difficulty of assessing developments up to 1980.¹ There are, however, good reasons for making the attempt: one need only recall the suddenness of the Soviet recourse to Western grain supplies from 1972 onwards—a policy shift which affected not only world food prices but also worked through to influence domestic agricultural policies in some Western countries.

A feature of the Plan is that whereas the growth targets for meat and egg production are less than half the high rates recorded in 1971–75, the scheduled increase in grain output is not only slightly higher than planned for 1971–75 but well over twice as high as actual performance in those years. Calculations based on recent feeding rates and patterns as applied to the more modest livestock production objectives suggest that the grain import requirement might fall by 1980, on the assumption of normal weather throughout the plan period, to about the same level as the import commitment agreed bilaterally with the United States in 1975. This calculation takes into account likely below-plan performance in the cereal sector. An allowance is also made for a 4 m. tonne saving in feed grain which could come about if the ambitious plan for compound feed production is achieved, and rather higher annual additions to grain stocks.²

¹ A more normal variation is up to ± 20 million tonnes about the trend. On the 1975 setback, see the present writer's 'Soviet grain harvest and imports in perspective', *The World Today*, February 1976.

² For a fuller analysis, see the present writer, 'Leistung und Planziele der Landwirtschaft' in 'Der XXV Parteitag der KPdSU', *Osteuropa*, 8/9 1976

At present, Soviet animals are fed large quantities of grain which is primarily a high energy feed. Even the relatively low protein content of cereals helps to compensate for the shortage of high protein feeds which are difficult to grow under Soviet climatic conditions. It is now assumed by some observers that a smaller Soviet grain import requirement will be partly compensated by higher Western sales of high protein concentrates, especially oilseeds, which will be used to bring about increased feeding efficiency. The plans for the compound feed industry suggest that demand for these high quality feeds might rise about 1 m. tonnes more (in terms of protein) than are likely to be available from domestic production. This shortfall is equivalent to about 3 m. tonnes of soya beans, worth some \$600 m. at current prices.

Indications that some agricultural policy makers at least were going even farther in this direction appeared during 1976. An article in the August number of the monthly agricultural journal, *Ekonomika Selskogo Khozyastva*, gave a figure implying that feed grain consumption by 1980 would be no higher, at 105 m. tonnes, than in the last year or two. This cutback in the share of the most important feed energy source is rational—it is estimated by Soviet authors that grains fed are already 30 per cent in excess of animal requirements. The article suggests, in sum, that an important part of the increases planned for livestock products would be engineered by more efficient feed practices.

This strategy is also technically feasible. It would, of course, be open to the criticism that, with domestic protein supply potential so limited, the implied level of soya bean or equivalent imports would be unrealistically high—perhaps an additional 10 m. tonnes per year. But even the partial fulfilment of such a strategy would indicate a much reduced Soviet grain import requirement and correspondingly good oilseed marketing prospects for Western suppliers. To the extent that such a strategy were implemented, Western cereal producers could well find themselves competing against Soviet exports of grain amounting—on the most extreme if highly unlikely assumption—to 15 m. tonnes by 1980.

Clearly then, such a strategy could have marked effects—if in opposite directions—on both world cereal and protein feed markets. It would represent a total reversal of the Soviet role in recent years. The USSR has been among the major grain importers in no less than four out of the last five years—and the wild variations from year to year have had substantial destabilizing effects in the short term. What is equally serious is that past Soviet purchasing policies have had important consequences on the internal agricultural policies of other countries which are likely to be felt for a number of years.

The US farm sector, for instance, has reversed a long-standing policy of encouraging farmers to take land out of production to reduce surpluses, which has been operated since the mid-1950s. After the Great Soviet

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TODAY**

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EDITOR: LILIANA BRISBY

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Grain Raid of 1972-73, cereal acreages in the US increased by 20 m. acres as this land was brought back into production. The effects have been muted, partly by drought in important US grain producing areas, partly because harvest failures elsewhere in the world—including in the Soviet Union—have increased import demand. Grain reserves are still at historically low levels and prices high compared with the early years of the decade. But if the Soviet net deficit position improves substantially for any reason, this easy situation for Western producers could change very abruptly.

However plausible some variant in the direction of the strategy suggested by the August article might appear, the latest plan document seems to favour a totally contrary one. It includes a figure for total feed production not quoted in earlier drafts, which indicates that total feed supplies (expressed in terms of energy based feed units) will continue to rise very sharply, reaching 475 m. tonnes by 1980. This is completely at variance with the August estimate for feed grain needs in 1980. But it is consistent with a rapid rise in the use of non-concentrate feed and continued, even intensified, feeding of excess quantities of cereals to livestock. The corollary would be de-emphasis of protein-intensive feeding programmes.

The existence of two seemingly inconsistent figures is a slim basis on which to conclude that there was a major policy change between the dates when the Tenth Plan was first published and the present. Nevertheless, there are other identifiable grounds on which such a policy shift could be justified.

It may be, as frequently happens in the Soviet agricultural planning process, that a single good harvest has unduly raised estimates of potential. But if grain supplies ever do become abundant in relation to needs—and the livestock feed requirement is the only item in the Soviet balance which is currently increasing—there is no reason why existing practices should not be continued. It has too often been assumed that Western and especially US stock-raising techniques, with their emphasis on high protein feeds, are indispensable if the ambitious Soviet plan to modernize their own production systems is to succeed. But insufficient attention has been paid to the costs of the alternatives. The land area of the USSR is vast and its transport network sparse and already overstrained. There is room to doubt the basic economics of transporting huge quantities of a bulk crop such as grain off Soviet farms for export, and simultaneously bringing in an only slightly less bulky import such as soya beans and transporting the meal after processing back on to farms. The recent increases in US cereal potential may also be an element in Soviet thinking. If, for instance, large-scale Soviet imports of protein feed were undertaken, it would be logical to promote exports of surplus grain in part payment. But if increased supplies of US and Soviet grain hit the market simul-

taneously, prices could fall markedly while any substantial rise in Soviet demand for oilseeds would tend to increase their price.

These foreign-exchange considerations are particularly important in the context of the present state of the Soviet trade balance and current indebtedness. Total Soviet trade turnover (exports plus imports) with the 'developed capitalist' countries trebled in value between 1970 and 1975, and approximately doubled in volume terms. This was substantially more than planned. The Tenth Plan indicates a return to more modest increases—31 per cent by volume between 1975 and 1980. Clearly, more circumscribed trade plans will entail economies in imports by more than one sector and the use of domestically produced substitutes where possible.

The above factors may already, for instance, have begun to weigh on meat import decisions. Shipments in 1974 and 1975 rose to 0.5 m. tonnes—nearly 4 per cent of domestic consumption—but fell to only half this level in 1976. Over-supply on the world market resulted in price weaknesses during 1976 which might have been expected to attract more lively Soviet buying activity, especially in a year when the USSR's domestic production fell sharply. And in the longer term, per capita consumption plans for 1980 appear to have been set in line with production targets, the figures indicating no apparent role for imported supplies.

This Note aims less to draw final conclusions than to illustrate some of the uncertainties of future Soviet farm trade plans and the wide range of possibilities. The present tentative view of the author is that the Soviet leaders intend not only to cut the embarrassingly large feed grain imports of the last five years but may also try to avoid, if possible, imports of other feed and food products. How they will achieve the very large target figure for total feed with minimal imports and, in particular, how they will cope with a growing protein deficiency without them is something of a mystery. Even high assumed rates of growth of non-concentrate feed—especially lucerne (alfalfa), clover and lupins—combined with known plans for expanded production of synthetic feed additives seem to provide no more than a partial answer. If this is really the solution sought, then the livestock production and consumption targets may well be lowered during the course of the Plan—as indeed has happened more than once in the past.

JOHN A. SLATER

AUSTRIA'S MINORITIES

A SPECIAL language census was held throughout Austria on 14 November to determine the numerical strength of the country's ethnic groups. Austrian nationals over the age of 14 were asked, in a secret ballot, to declare their mother tongue from a choice of German, Croat, Slovene or Hungarian. Any other language was to be entered separately. Forms were

completed for those under 14 by their legal representative. The Central Statistical Office is now engaged in evaluating the results working separately on each province. This costly exercise was agreed to by all three parties in Parliament in an attempt to settle years of wrangling and deadlock on the status of minority groups in Austria.

According to the State Treaty of 1955 for the Re-establishment of an Independent and Democratic Austria, Slovene and Croat minorities are guaranteed certain rights. They are entitled to 'elementary instruction in the Slovene or Croat language and to a proportional number of their own secondary schools'. In the provinces of Carinthia, Burgenland and Styria 'where there are Slovene, Croat or mixed populations', the Slovene or Croat language is to be accepted as an official language (*Amtssprache*) in addition to German. In these districts dual language signposts should be erected in Slovene or Croat as well as in German.

Successive Austrian governments have procrastinated in implementing all these provisions. The subject is sensitive and potentially explosive, especially in the southernmost province of Carinthia which borders Yugoslavia, the protector of Slovene interests in Austria. Under pressure from Belgrade, Chancellor Kreisky's Socialist Government set up dual language signposts in 1972 in those areas where, according to the 1961 census, 20 per cent or more Slovenes resided. Strong opposition came from Pan-German nationalist groups and within three weeks all signposts had been forcibly torn down or officially removed. Carinthia has remained a centre of extremism and violence. Swastikas have been daubed on the graves of partisan and resistance fighters and Slovene shops have been attacked. Last June a monument to a Pan-German nationalist war veteran was blown up. In this atmosphere a peaceful solution in the spirit of tolerance, the Government's declared aim, will be difficult to achieve.

The Pan-German nationalist organization, the *Kärntner Heimatdienst* (KHD), which claims to have 50,000 members, considers the Slovenes an 'overprivileged' minority backed by Communists. It argues that the number of Slovenes is constantly declining and that to meet their demands would lead to 'slovenization' and an intolerable burden on the Austrian taxpayer. There is also a deep-rooted fear of possible future Yugoslav irredentism. After both World Wars, Yugoslavia made territorial claims on southern Carinthia; after 1945, the area was occupied by British troops and Tito's partisans. The Pan-Germans believe that dual language signposts would give substance to Communist aspirations to rule the area. Yugoslavia has protested, in vain, that the existence of organizations whose aim is to deprive the minorities of their rights is contrary to the State Treaty.

One problem is that no one is quite sure exactly how many Slovenes make up the population of southern Carinthia; estimates range from 10,000 to 50,000. It was this kind of ambiguity the language census

aimed to resolve. It seems clear already, however, that the results of the census will be inaccurate. The Slovene organizations protested against the holding of such a statistical survey in principle. They claim that their rights are defined clearly by the State Treaty which makes no mention of first establishing the numbers in minority groups. Accordingly, the Slovenes called for a boycott of the census which seems to have been successful. There were also suggestions that sympathizers with the Slovenes should declare their mother tongue to be Chinese or another equally unlikely language. To add to the confusion, Germans in Vienna and Salzburg intimated that they might call themselves Slovenes or Croats for a day. Predictably the *Kärntner Heimatdienst* pleaded for all to turn out and be counted as Germans. The results of the survey are therefore likely to show a distorted picture of the distribution of ethnic groups in Austria. The Government, bitterly disappointed by the whole affair, is still left with trying to find an acceptable way of implementing the stipulations of the State Treaty.

Throughout the official publicity campaign on the census, the Austrian Government argued that the rights of the ethnic groups were in no way dependent on the outcome of the survey. The initial decision to hold the census had provoked a flurry of protests from Yugoslavia who claimed that it was a flagrant violation and an attempted unilateral revision of the State Treaty. Austria, afraid that the Yugoslavs might internationalize the situation, replied that the census was only an 'aid to orientation'. The Government promised concrete improvements for the ethnic groups which were not linked to the linguistic census. These measures were outlined in a Federal Act of 7 July 1976 which is regarded by the Government as complete fulfilment of its obligations under the State Treaty. The federal Government will have powers to determine those areas 'where, on account of the relatively high number (one-quarter) of ethnic group members residing there, topographical terminology shall be in two languages'. The 25 per cent clause was necessary to secure the consent of the Opposition, but it is resented by the Slovenes as an infringement of their rights. The new Law also provides for the establishment of Ethnic Advisory Councils in the federal Chancellery. This is an attempt to give the ethnic groups the right of co-determination on issues which affect them. The Slovenes tend to see these institutions as usurpers of their existing voluntary organizations. No new measures are envisaged in the field of education, as the Government believes that the conditions of the State Treaty have already been satisfactorily met by existing legislation. Financial assistance from federal funds is to be granted to recognized ethnic organizations. Finally, the Law mentions that the language of an ethnic group should, under certain conditions, be admitted in addition to German as a genuine official language. The entire Act is to come into force on 1 February 1977.

With this legislation the Government is convinced that it will have fulfilled the disputed clauses of the State Treaty, not merely according to the letter but also the spirit. Not all share this view: the Slovenes see the entire package as a means of curtailing, not promoting, their rights. They point to some important conditions in the new Act. Before implementation, for example, attention is to be paid to the 'numerical size of the ethnic group, the distribution of its members over the federal territory' and 'its relative order of magnitude in comparison with other Austrian nationals in a specific area'. The findings of official statistical surveys are, in connexion with this, to be taken into account. The Slovenes argued that the November census was more than an 'aid to orientation': the results would ultimately determine any concessions that the minorities might gain from the Government. This conviction prompted their call to boycott the census.

Many Slovene families suffered from the brutality of the Nazi occupation and others played an important part in the Austrian resistance. Today they feel that their position is being deliberately undermined by right-wing Pan-German organizations. It is likely that the Slovenes will continue to press for the full implementation of their rights as prescribed in the State Treaty. This, for them, means no prior count of minorities or insistence on a certain percentage as a precondition of those rights. Such a step would lead to the inevitable opposition of conservative forces and most probably further violence. Kreisky's Government has tried to find a compromise and negotiations will continue. The coming months will judge its success.

MELANIE SULLY

The Italian experiment and the Communists

HANSJAKOB STEHLE

Could political and economic pragmatism bridge the gap between today's emergency collaboration of Communists and Christian Democrats and a 'historic compromise' of the future?

THE spectre of a Communist take-over in Rome which increasingly began to worry Italy's Western allies in the first half of 1976 seems, particularly to more distant observers, to have shrunk to less dramatic dimensions since the parliamentary elections on 20 and 21 June, even if it has not quite vanished. The Christian Democrats have apparently

Dr Stehle is Italian affairs correspondent of West German and North German Radio and a regular contributor to the weekly *Die Zeit*. This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik GmbH, Bonn.

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justified their claim to be the strongest party in the country and have beaten off any Communist aspirations to power, at least for the time being.

In fact, it was not and is not the aim of the Italian Communist Party (PCI) in the foreseeable future to seize the helm of government, either alone or with a weaker partner. At a time when the ship of state is threatening to capsize, if not sink, in the whirlpool of a worsening economic and social crisis and can only hope to be washed up on a safe shore, the election result could hardly have been better for the PCI: with 34·4 per cent of the vote it was in a position to help set the course, speed up, slow or even stop the engines; but, at the same time, the 38·7 per cent share of the vote won by the *Democrazia Cristiana* (DC) left the latter strong enough to bear the main, and effectively sole, responsibility for the country's course.

It is true that the distribution of seats in Parliament after 20 June would have made it possible for the DC to form a coalition with the Democratic Socialists (PSI). However, the Socialists were forced to conclude from an analysis of their disappointing election result (9·6 per cent compared with 12 per cent in 1975 and 9·6 per cent in 1972) that the electorate did not appreciate their long-standing alliance with the Christian Democrats, which went too far for some, while not going far enough for others. The Communists were the only ones to benefit from the rising discontent against the DC establishment and its unsuccessful attempt to open up to the moderate Left, and only the Christian Democrats profited from the no less widespread fear of Communism. 'Hold your nose and vote DC' ran one of the successful election slogans: the small parties (Social Democrats, Republicans and Liberals) and the hitherto much feared extreme Right found themselves elbowed aside. In these circumstances, another PSI coalition with the DC could only have meant a further compromise in the eyes of the shrinking ranks of the party's supporters, the more so since the Socialists had made it quite clear during the election campaign that they preferred a 'left alternative' (with the Communists) to a 'Centre-Left' (with the Christian Democrats)—if only to prevent the 'historic compromise' (of PCI and DC) favoured by the Communists, which could have crushed the PSI out of existence. Since the Socialists could neither return to a coalition with the Christian Democrats nor enter into an alliance with the Communists (they would have been 22 seats short of a 'Popular Front' majority in the Chamber of Deputies), the only practical possibility after the June 1976 elections was a 'monocolour' minority government such as the Christian Democrat leader, Giulio Andreotti, formed in August.

The PCI's new role

Has the Communist Party now achieved its breakthrough to power by supporting (some would say sustaining in office) a Christian Democrat

head of government? Has it at least moved any nearer to its goal of a *compromesso storico* with the Christian Democrats? If one views this concept as a tactical compromise aimed at sharing power, then a certain amount of progress is unmistakable. However, if—as the PCI leader, Enrico Berlinguer, insists—one interprets the desired compromise as a strategic move in a historical context, as part of a gradual ongoing process of approximation to a socially dynamic model of development and government, then the Andreotti Government, as an emergency compromise reached to overcome the short-term crisis, creates more problems than it solves. For if the Andreotti experiment works, it is the ruling Christian Democrats who will reap the main benefit and emerge stronger, but if it fails, it will be Berlinguer's compromise which is discredited, whether the failure is ascribed to the relentless economic crisis or to irreconcilable party differences.

Berlinguer and the party leadership were well aware of this risk when they decided to abstain. They know that to the 1·8 million members of the PCI and the 2·6 million who voted for it this move out of opposition without coming to power cannot be presented as the much-vaunted *svolta*, or turning-point. Instead, according to Berlinguer at the PCI Central Committee meeting on 18 October 1976, these are quite exceptional circumstances in which the party 'is not yet the Government but thinks and acts like a ruling party and is committed to changing the country in a spirit of responsibility, but also with power and passion'. This is 'a new situation which cannot be compared with other moments in our history', and one in which no other Communist party has ever found itself; but it is the very reason why the PCI must be prepared to make a 'qualitative jump'.

As many Italian Communists see it, this is more of a leap in the dark. Old party hands were unmoved by Berlinguer's comforting words in Parliament when he spoke of 'the end of an era' (the age in which anti-Communist prejudice had meant that the PCI was written off a priori as incapable of governing). Luigi Longo, Berlinguer's predecessor and honorary President of the party, put a question mark after 'The End of an Era' in *Rinascita* on 24 September 1976, and advised the party 'on no account to draw in the claws of opposition'. During a Central Committee debate on 19 October, the first for many years in which differences of opinion were openly aired, Longo expressed some of the 'doubts and reservations' prevalent in the party: it was not right to change the 'Communist image', or to allow national interests to take precedence over party considerations. Andreotti's emergency decrees at the beginning of October attempting to slow inflation and halt the fall of the lira and even challenging the sliding wage scale (*scala mobile*) prompted Longo to warn that the working class could only be asked to make sacrifices if they were assured of a 'guaranteed political quid pro quo' (*l'Unità*, 10 Octo-

ber); as such he demanded 'the creation of the right climate for the destruction of the economic system and power structure which has led to the current upheaval'. Giorgio Amendola, the grand old man of the PCI's right wing, had other ideas: he argued that the party, and in particular the unions, were not sufficiently aware that inflation was now the main danger; only increased labour productivity and profitability of enterprises could safeguard jobs and maintain the purchasing power of the currency, whereas state help for ailing industry could not; far from being too tough, Andreotti's programme was not tough enough.¹

Longo was clearly speaking for the Communists who would prefer the party to go back into opposition rather than share responsibility for Andreotti's crisis management which might endanger the PCI's 'revolutionary' prestige. Amendola, on the other hand, would like to use this opportunity to prove the Communists' reliability, even where 'taming' the unions is called for, so that the PCI can be seen to be ready to take over direct responsibility for government as soon as possible. While Longo has no wish to be accused of allowing the PCI to win power at the expense of the workers 'as the Communists did in Eastern Europe' (a charge levelled by the extreme left-wing *Democrazia Proletaria*), Amendola is prepared to countenance even the idea of the PCI as a stabilizing element within the capitalist system: his thesis is that if you want to reform the system radically or overthrow it painlessly, there is no point in wilfully destroying it.

Into this confusing picture of ideological positions, sometimes clashing and sometimes coinciding but never adding up to more than a cloudy amalgam of tactics and strategy, Berlinguer's pragmatism brought order and balance. He maintained that the immediate danger was inflation, threatening to bring chaos and collapse not only to the economic and social structure but also to the 'democratic order as such'. This time, salvation would not come, as it did in 1945, from low wages and raw material prices achieved through Marshall aid, but only with a harsh policy of restrictions and economies. No one would be able to give a quid pro quo guarantee that the inevitable sacrifices were fairly made and led to a 'genuine renewal'—'not even a government in which we Communists participated'. It would be as wrong to place complete faith in the Andreotti Government as to succumb to a mood of utter despondency. The party must 'organize democratic pressure by the masses' in support of its demands for a just sharing of burdens and for changes in society, but the working class, too, must show itself as a force 'with all its papers in order and a strong sense of duty'. The role of the market and of industry must stay the same, 'not as a tactical concession to "the other side"... but because this is consistent with our pluralist conception of society and an

¹ See *Politica ed Economia*, No. 4, 1975; *Repubblica*, 5 October 1976; *l'Unità*, 20 October 1976

open economy'. It was now a question of being as flexible as possible to avoid giving a pretext to the reactionary forces. The present gap between the party and Andreotti's Government should not be widened, but equally conditions for direct participation in government were 'not yet ripe'. Nor should there be 'precipitate steps' which might end the present 'experiment in government' and could only lead backwards.¹

This trend, which characterizes not only PCI theory but also current party practice, raises questions about the party's true stand. At a mass rally in Naples on 19 September 1976, Berlinguer himself felt compelled to answer those who asked 'either in fear or in hope' whether the PCI was becoming a *social democratic* party. The party leader emphasized that it is and will remain *Communist*, and tried at the same time to define what 'Communist' means for him:

It means that even when we have to be realistic and flexible, we never betray for one instant the aims for which we are fighting, namely the liberation of the workers and society as a whole, the establishment of a society vastly superior to the bourgeois. . . It is our task to make real changes step by step in the economic and social structure of the country until we have radically changed the ruling class. . . This transformation must take place in full freedom and democracy, within the framework of the Republic's constitutional principles and norms, with respect for and stress on autonomy and pluralism and with the constant participation of the people.

The credibility of such a position is often questioned, and not only in Italy. Is the PCI right to call itself 'Communist'? Does it use the name to hide its social democratic leanings, or does it appear to espouse social democracy to conceal its Communist nature? Is the Soviet model (or another?) the valid criterion for 'Communism'? Is the PCI's deviation a piece of 'left-wing opportunism', because it chases after a Utopian model of socialism 'which has hitherto not existed' (according to Berlinguer)? Or is it 'right-opportunist' heresy, when Communists make it a point of principle to compromise with their main adversary even to the extent of helping his government into the saddle and keeping it there? None of these questions can be answered in the abstract because the validity of each theory can be tested only in the arena of historical and political reality. The key to the answer can be found only in the history of Italian democracy and its present guise.

Historic and psychological background

When more than a third of the electorate in a traditionally Catholic country votes for a Communist party and almost one half votes for Marxist-orientated parties, we are dealing with an 'objective phenome-

¹ Report and concluding speech by Berlinguer in *l'Unità*, 19 and 22 October 1976.

non, independent of the behaviour of political forces' (Aldo Moro). At the bottom of this lies the resolute if often vaguely defined desire of a large majority (including many Christian Democrats) to change the prevailing social and government structure of Italy: not the parliamentary-democratic system as such but the way it is put into practice, or rather not put into practice. This trend has been called the 'pull to the Left'.

But in Italy concepts such as 'right' and 'left' have little value as regards determining exact political outlook: they have been eroded by another well-known phenomenon in Italian internal politics, *trasformismo*. This is the mutual penetration of disparate and even opposing positions, which has been complicating analysis of Italy's domestic policy processes for a hundred years. This 'transformism' is regarded on the one hand as a vice, because it blurs distinctions between politicians and their views, on the other as a virtue, because it defuses conflicts, discourages fanaticism and brings issues down to human levels, prevents exaggeration and makes compromises possible. Benedetto Croce called it a superstition to blame *trasformismo* for all Italy's ills: life itself is always moving between progressive and conservative forces 'which one can never extrapolate completely and pin down in two separate programmes, because people are not divided by empty abstract platforms but by concrete questions and measures'.³ An age-old reflex of adaptation operates here. Italy, so often exploited by foreign and internal rulers yet outliving them all, has always tended to 'come to terms with herself'. Her conservatives keep up with progress, whether to brake it or steer it, while her progressives become more and more conservative the nearer they get to their goal, especially when they know, as the Communists do now, that one false step could mean the end. Only this historical and psychological background explains the road Italy has travelled from the end of the Second World War to her current predicament. In particular, it explains the refusal of the two great political powers, the DC and the PCI, to commit themselves to (respectively) 'integrationist' or totalitarian programmes. Pragmatism, not ideological absolutism, motivated both the Catholic De Gasperi and the Communist Togliatti in 1944-5. The republic which grew out of the constitutional consensus of the two party leaders was no creation of Moscow or the Vatican. Togliatti buried the dream—still cherished in 1934—'to bolshevize Italy like Russia': unlike the Socialists and Liberals, for instance, he voted for the adoption of the Mussolini Concordat with the Vatican in the new Constitution. De Gasperi, on the other hand, defined *Democrazia Cristiana* as a party of the Centre 'moving to the left', which did not stop him drawing quite different conclusions when the rest of the world decided that Italy belonged firmly in the Western camp: in 1948 he dropped the Communists and the PCI left the Government.

³ Benedetto Croce, *Geschichte Italiens 1871-1915*, German edition (Berlin, 1928), p. 24.

without a murmur. The Communists kept their place in the system, without being able to achieve real power. What kept them strong, and allowed them to get still stronger, were and still are Italy's chronic economic and social imbalances.

To give just a rough idea, during the 1950s Italy developed faster than any other European country and moved into seventh place in the industrial nations' league; her national income doubled between 1950 and 1970, while her industrial productivity rose by 34·8 per cent. The proportion of workers in agriculture fell from 58 per cent to 19 per cent, while around three million workers migrated from the south to the industrial north. Low wages due to an unlimited supply of labour made a major contribution to this rapid industrial development, and Italy's goods became internationally competitive, as her high gross revenue (rising 19 per cent even in the crisis year of 1974) encouraged high investment. The other side of this speedy economic miracle was that, though it created incentives to consumption and property accumulation, it also distributed costs and profits in such a way that parasitism and nepotism, corruption and class prejudice stifled any tendency to social equality and orderly freedom. The flames of 'class struggle' did not need to be fanned by rhetoric: they were already burning bright.

The inability of the politicians to correct their own mistakes meant that the unions filled the power vacuum. PCI-inspired strike waves forced basic wages up to the level of the rest of Europe, but real wages remained the lowest in the EEC, and social security benefits were equally low and ineffective, despite the high contributions required; industrial viability became subject to increased cost pressure and a wage-price spiral was set in motion. An anachronistic tax system put 80 per cent of the tax burden on wage and salary earners whose share of national income was only 50 per cent. Hundreds of thousands of Italians were forced to look for work abroad, while at home businesses still employed half a million school-children. The economic gulf between north and south grew wider. A rigid state bureaucracy, accumulating vast deficits with nothing to show for them and incapable of commanding respect, wielded power from above and below (the so-called *sottogoverno*). This state of affairs moved the Christian Democrat leader Zaccagnini to admit in mid-1975 that 'the Communist Party has appealed to civil and moral values while the democratic parties have favoured consumerism and hence materialism'.

Call for a 'historic compromise'

Despite the ensuing confrontation and crises, the failure to make a radical new start in 1945 and the preference for 'transformist' solutions already contained the germ of the ideas now being put forward to avert disaster: some kind of compromise between the democratic Centre and the Left, including the Communists. The first steps towards this solution

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were taken as early as the 1960s, when the DC had become a popular party embracing a broad spectrum of opinion ranging from philo-Marxists to a conservative right wing. The *apertura a sinistra*, then seen merely as a move towards the Socialists (PSI), was as controversial as the opening to the Communists is today. The formation of a Centre-Left coalition at the end of 1963 was the first grand compromise between political Catholicism (DC) and democratic Marxism (PSI). It was an experiment which barred the door to a Communist-led Popular Front (in the 'classic' sense) and lent a certain degree of 'stability within instability' to the 13 short-lived governments of the following decade. But the efforts by this Centre-Left to come to grips with the national problems of economic and social development failed and so did the attempt to render the 'Communist question' irrelevant by effective policies of reform.

Not the least reason for the failure of the Centre-Left was that the PCI had found a way out from doctrinaire blind alleys back to the strategy whose foundations were laid in the constitutional compromise between Togliatti and De Gasperi. Togliatti's 'Yalta Testament' in 1964 offered the opportunity of a smooth gradual swing to the right: domestically, it was a move away from the claim to power of a party hitherto identified with the working class. It was now conceded that there were Christian Democrats in the working class, and this recognition was sealed by the renunciation of any atheism through the state. Externally, the party slowly drew away from the Soviet Union, though without a break.

Two events accelerated this development: the end of the Dubcek era in Czechoslovakia in 1968 and the dramatic failure of Chile's socialist experiment in 1973; in the one case it was Soviet and in the other presumed American intervention which provided an awful warning for the PCI. Berlinguer's immediate reaction 'After the Facts of Chile' (as he called his article in *Rinascita*) was to call for a 'historic compromise between all forces which unite and represent the great majority of the Italian people', i.e. the Communists and Socialists with the Christian Democrats. His reasoning was that 'Even if the parties and forces of the Left could win 51 per cent of the vote and parliamentary representation (which would in itself be a great step forward in relative party strength), it would be an illusion to think that this could guarantee the survival[!] and effectiveness of the government representing that percentage.'

In December 1974, shortly before the PCI Party Congress, Berlinguer sought to add credibility to his concept by clarifying two important aspects: relations with Moscow, and with Nato. He admitted that the PCI's attitude to events in Eastern Europe had been ambivalent, that Stalin 'had imposed the Soviet model on the countries of "popular democracy" [Berlinguer's inverted commas] from outside and from above without regard for their national character and needs'. He also explained that the disbanding of military blocs was not a precondition of détente but

could only follow from it. At the Congress in March 1975, Berlinguer even declared that an Italian withdrawal from Nato would be 'not only impractical, but detrimental to the international process of détente'. In an interview in June 1976, Berlinguer went so far as to say that he felt 'safer' in Nato than he would in the Warsaw Pact. He also confirmed that, if the Communists joined the Government, 'all political groupings, whether of Left, Centre or Right[!] would have the exercise of their political rights fully guaranteed.'

This acknowledgement of 'pluralism'—which Berlinguer expanded and reinforced in the 'joint statement' with the French Communist party of 15 November 1975, at the 25th CPSU Congress in Moscow on 27 February 1976, and at the pan-European Conference of Communist Parties in East Berlin on 30 June 1976—enabled the PCI to stimulate discussion of the 'historic compromise'. Moreover, the Christian Democrats were coming under increasing pressure owing to the economic crisis, had been without a coalition partner since early 1976 and had admitted that the formula of the Centre-Left was dead.

Since 1963 the DC had been more and more on the defensive; its 14 million voters still represented a solid base, but this had been seriously eroded for the first time in the 1975 elections. At the Congress in March 1976, the new Party Secretary, Benigno Zaccagnini, had to confirm that the Christian-Democrats were in a 'dangerous period of transition', moving according to him leftwards. However, the ultimate destination of this transition was left vague. The Prime Minister, Aldo Moro, took refuge in the statement that 'current power relationships mean that the necessary and sufficient instrument for ensuring a democratic dialectic and the all-important presence of constitutional parties [among them the PCI] in Parliament and in Italy as a whole must be a serious, vigorous and mutually considerate dialogue' (*confronto*) with the PCI.

This dialogue formula, still the official basis of the Christian Democrats' position after the June election, shows just how far the PCI/DC arrangement has blossomed. Significantly, when in August 1976 Giulio Andreotti presented the policy declaration of his minority Cabinet, he dispensed with any formula and hinted at the (previously arranged) Communist abstention merely by reference to Article 2 of the Constitution, which reads: 'The Republic demands from all the fulfilment of the inalienable duties of political and economic solidarity.'

Could a pragmatic 'solidarity' thus bridge the gap between today's emergency compromise and a 'historic compromise' of the future? Andreotti indicated at the DC Congress in March 1976 that for Italy the Communist mortgage could one day become bearable in the context of European political union by being diluted in the Community within a compound 'Euro-Communism':

Is Eurocommunism Utopia, or merely a trap? Is it possible to hoodwink

a Community of nine European countries and 46 associated African, Latin American and Asian nations? . . . Perhaps Europe will one day absorb all Italy's socialist schisms including the 1921 split [when the Communists and Socialists parted company]. This is the hope, if only for our children. Today, as the Communists abandon and condemn Stalinism, we can hold our heads up and say that the DC has spared the Italian people this scourge. . . I call on the younger generation to recognize this achievement and never to allow hasty or thoughtless experiment! We must not confuse purpose with reality, or try to take shortcuts where we must proceed step by step, rooted in a resilient community which can overcome our fragile sub-alpine balancing acts. . .⁴

It stands to reason that in a country which is up to its neck in trouble such views are bound to spring from wishful thinking. This is true not only of Andreotti but also of Berlinguer's idea that his party can successfully integrate as a Communist party in an open society, without either side surrendering. The subjective honesty of such intentions is no longer disputed by most observers of the Italian scene, even by militant opponents of the PCI. Objective circumstances, particularly Italy's geographical situation, make it almost impossible that Berlinguer could ever suffer the same fate as Alexander Dubcek. Nevertheless, there are grounds for scepticism and doubt as to the likelihood of a compromise without surrender.

Despite its shortcomings, the Democrazia Cristiana would not easily succumb to the pull of a diluted transformist Communism—unless the DC founders on its own *trasformismo*, its tendency to conform which favours accommodation rather than insistence on often discredited positions. Equally, the possibility cannot be ruled out that *trasformismo*, with its deep-rooted traditions in Italy, could change the PCI out of all recognition. What is the 'bid for hegemony' of the working class if it renounces not only political dictatorship but also direct control over the means of production? Doctrinal consistency was never a strong point of the Italians, a fault which has actually enabled them to survive catastrophes rather more easily than, say, the Germans. The PCI's Communist doctrine—Marxism—Leninism without the hyphen—would not be the first doctrine to be ploughed up and worked into the historic soil of Italy.

⁴ See his speech in *Il Popolo*, 22 March 1976.

Cuba after Angola

GREGORY F. TREVERTON

IN 1976 Fidel Castro celebrated his fiftieth birthday, his army observed its twentieth anniversary, and the Cuban revolution completed 17 years in power. The revolution was reaching maturity, while its leaders, those who had guided it since the days in the mountains of the Sierra Maestra, approached middle age. Angola and events in southern Africa brought Cuba once more into the news; those developments upset an expectation about the foreign policy of a settled Castro Government—that it would entirely forswear active assistance to revolutionary movements around the world—and encouraged a hasty conclusion about the Cuban regime after a decade and a half in power—that it had become a vassal of the Soviet Union. Both the expectation and the conclusion seem to me wide of the mark; the first was naive and the second neglects or misconstrues the distinctly Cuban factors at play in that country's African actions. At the same time, the tangled aftermath of the MPLA's victory in Angola and the continuing presence of Cubans may be a lesson for the revolution's leaders about the hazards of playing directly in world politics.

Internally, the revolution's coming of age has been paralleled by a process of institutionalization. Fidel Castro and his associates from the Sierra Maestra still are in political control of the revolution, but they now exercise that control in and through machinery akin to that of Eastern European countries. Since the sugar disaster of 1970, major efforts have been made to rationalize Cuban economic policy-making; in parallel, the Cuban economy and its planning machinery have become ever more tightly integrated with the Soviet Union.

Yet the revolution remains identifiably Cuban. It is tied to the Soviet Union ideologically and mortgaged to it economically; but just as the military relationship is not as simple as that of commander and commanded, neither is the economic relationship simply that of creditor and debtor. The precise nature of the relationship—the kinds and amounts of Cuban freedom and of Soviet control, particularly with regard to Cuba's foreign actions—are hard to know with any certainty. Yet some outlines of the military and economic relationship between the two are discernible from the Angola instance, and from the economic problems currently confronting Cuba—most notably the precipitous drop in world prices for sugar, on which the island is as dependent now as in 1959.

Dr Treverton, formerly a research associate at the Kennedy School of Government, Harvard, is finishing a year as Research Associate at the International Institute for Strategic Studies, London. He has recently returned from a visit to Cuba. This article appears also in German in *Europa-Archiv*, Verlag für Internationale Politik GmbH, Bonn.

This article is a look at the prospects for Cuba's actions beyond her borders in the light of Angola and the current configuration of global economics. It also contains glimpses at domestic political and economic developments that bear, or may bear, on Cuba's foreign relations. My immediate point of departure is a period I spent in Cuba this autumn, learning what I could about the state of the revolution internally and asking questions about Cuba's external interests of a variety of Cubans—government officials, journalists and people associated with universities. Two-week trips hardly produce experts, and I am no case to the contrary. But much of what I learned fits in with expectations based on previous study. And on other points I found a convergence of Cuban views which seemed more than a reflection merely of the closed nature of Cuban society and the paucity of its internal information sources.

Angola and the prospects for Cuban action in Africa

The dispatch, during the winter of 1975–6, of some 12,000 Cuban soldiers to Angola (by the autumn of 1976 some Western observers put the number still remaining at well over 12,000) was a sharp break with a decade during which Cuba's support for armed revolutionary movements around the world had amounted to little more than rhetoric. That quiescent attitude was itself a reversal of the early days of the revolution when Cuba associated herself with violent revolutionary movements in Peru, Colombia, Brazil, Venezuela and Bolivia, as well as Africa. That well-known reversal requires no detailed description here.

Active Cuban support for revolutionary movements was a source of friction between Moscow and Havana throughout much of the 1960s. From the beginning, Castro and his associates assumed that other countries, within and without Latin America, would emulate their revolution, and Castro declared his readiness to send assistance. But for Moscow, Cuban guerrilla theories were ideological heresy, their practice romantic nonsense; moreover, Castro's efforts carried explicit criticism of the generally non-violent (and frequently non-revolutionary) Communist Parties of Latin America, caused unpredictable strains in Soviet-American relations, and opened Moscow to attack from Peking for having become flabby and 'revisionist'. After the missile crisis of October 1962—which Cubans refer to simply as the 'October crisis'—the Soviet Union was less interested in reaping direct advantage from Cuba's position than in gaining indirect influence from its support for a socialist Cuba.¹

¹ All of the standard book-length works on Cuba devote considerable attention to these Cuban-Soviet tensions and to the subsequent change in Cuban behaviour. See, for example, K. S. Karol, *Guerrillas in Power: The Course of the Cuban Revolution* (London: Jonathan Cape, 1971); Maurice Halperin, *The Rise and Decline of Fidel Castro: An Essay in Contemporary History* (Berkeley: The University of California Press, 1972); or Edward Gonzalez, *Cuba under Castro: The Limits of Charisma* (Boston: Houghton-Mifflin, 1974).

The turning point for Cuba came between 1968 and 1970. By early 1968 Cuban-Soviet relations had reached their nadir, but within a few months, in August 1968, Castro had come around to expressing public, if cautious, support for the Soviet invasion of Czechoslovakia. In 1967 Castro had declared: 'This revolution will maintain its absolute independence and follow its own path'. By 1972 he was labelling the USSR the 'ideal' for a 'future world of socialist nations.'¹ Castro's turn-about no doubt was due to a combination of factors: the failure of Cuban-supported guerrilla expeditions, especially Che Guevara's in Bolivia; the economic dislocations produced by Castro's unsuccessful drive for a 10 million ton sugar harvest in 1970; and Moscow's exploitation of Cuba's economic plight. In any event, the change was reflected immediately in Cuban attitudes toward developments in Latin America. In 1969 Cuba began supporting the reformist Peruvian military Government, and the next year Castro was criticized by a Venezuelan guerrilla leader for abandoning continental revolution. By 1975 Venezuela, the country that originally requested sanctions against Cuba, had re-established diplomatic relations with Havana, along with Argentina, Colombia, Panama and a number of Caribbean states. In July 1975 the Organization of American States (OAS) lifted the mandatory political and economic sanctions imposed on Cuba a decade before. Those sanctions, never formally respected by Mexico, had been disregarded with increasing frequency by Latin American states in the years before 1975.

Given, then, all the evidence of Cuban moderation in pursuit of revolution, why Angola? Why did Cuba send thousands of her soldiers far away from home, providing what many observers regard as the decisive force in the Angolan civil war? And, to the point, are Cubans likely to be participants in other armed conflicts in Africa?

There is no doubt that it suited Soviet purposes to have the Cubans go; by intervening Havana earned political credits against past debts to the Soviet Union. Nor is there any doubt that the Cubans could not have supported an involvement on that scale alone. Cubans freely admit that. Especially after Caribbean Governments and Washington had become aroused over Cuban trans-shipments of men and supplies through Caribbean states, the Cuban force in Angola was re-supplied by sea and air directly from the Soviet Union. Even so, the purely economic costs to Cuba of the intervention must be assessed as substantial. The initial Cuban contingents were professional soldiers, but once Cubans began arriving in numbers many were militiamen and reservists, so their absence from Cuba entailed dislocations in civilian working places, and much commercial aviation and shipping was diverted in getting Cuban troops to Angola.

¹ Quoted, respectively, in Richard C. Schroeder, 'Cuba after 15 Years', *Editorial Research Reports*, December 1973, p. 973, and *Granma*, the official newspaper of the Communist Party of Cuba, 31 December 1972.

At the same time, there were distinctly Cuban reasons for intervening. The intervention is best seen as a convergence of Soviet and Cuban purposes, with the Russians providing most of the wherewithal but with the Cubans eager enough to go for reasons of their own. Cuba had a history of involvement in Africa—Castro refers to his nation as ‘Latin African’. Guevara sought revolution in the Congo in 1965 before he went to Bolivia. Cuba has provided military or economic assistance to both Congo-Brazzaville and Guinea, and had been on friendly terms with the Popular Movement for the Liberation of Angola (MPLA) for over a decade before 1975. After years of doing little more than talking revolution, Angola served as an earnest of Cuba’s commitment. It offered the opportunity to decide the outcome quickly and at relatively low cost, although both time and cost in dead and wounded may be higher than Cuban leaders anticipated. Even assuming that improving relations with Washington is important to Havana—and I believe it is—it was clear that nothing would happen in that arena until after the American presidential inauguration.

In other respects as well, the cost of intervention was low. Neutral or pro-Western Governments in Africa reacted to the fact of Cuban intervention, and for other countries the intervention was another demonstration of ties binding Cuba to the Soviet Union. However, the first effect will be short-lived if the intervention is not repeated, while the second probably was more than counterbalanced by the Third World esteem that accrued to Cuba for being able to tip the scales in a conflict where major powers, including the United States, were engaged.

Notwithstanding the initial success, Angola may turn out to be more than Cuba bargained for. As long as the MPLA Government continues to face a guerrilla opposition from the forces of the National Union for the Total Independence of Angola (Unita), Cubans will be asked to stay and fight, and Havana no doubt will feel compelled to assent. The MPLA also may desire a Cuban presence as a means of ensuring access to Soviet weapons while fending off a heavy-handed Soviet embrace.

When I asked in Havana if there had been any domestic unhappiness with the intervention, I was told that there had been no ideological disenchantment but that some people had reacted in a human way to the departure of husbands and sons to a distant war. I suspect an element of protesting too much in those answers. There may have been more domestic distress over the intervention than Havana is prepared to admit. That may be suggested by the fact that the Cuban people were not formally told by their Government of their nation’s involvement until 27 January 1976, although most Cubans knew about it much earlier because of reservist friends or co-workers who departed. There certainly was a reaction to the Cuban casualties—though most, I was told, were professional soldiers in the early phases of the intervention when the

Cubans were trying to stop the advancing South African column. No doubt, there will be a parallel reaction to continuing casualties, perhaps all the stronger because the enemy will be black Unita guerrillas, not white South Africans.

Among the people I spoke to in Havana there was a uniform expectation that the Cubans in Angola would gradually return and a feeling that the withdrawal was already underway. Several, for instance, spoke of co-workers, absent for months, now back at work. In May 1976, the Swedish Prime Minister, Olaf Palme, made public Castro's promise that Cuba would begin withdrawing troops from Angola at the rate of 200 per week, but there has been subsequent doubt over whether Cuban troop movements were withdrawals or rotations. What may be occurring is a rotation of Cubans and a shift towards technicians from pure soldiers, with little appreciable decline in total numbers.

Yet the circumstances surrounding the intervention in Angola suggest that it should not be viewed as a precedent for Cuban actions in Africa, although to predict anyone's actions in southern Africa is to venture on to perilous terrain. In talking of Angola, Cubans stress their historic relations with the MPLA and its leader, Agostinho Neto. And all those I spoke to repeated the distinction between Angola and other African situations that was argued publicly by the Deputy Prime Minister, Carlos Rafael Rodríguez, in May 1976: for Cuba, the Angola intervention was aid to the legitimate MPLA Government in Luanda under foreign attack, while the wars in other southern African states are anti-colonial, anti-imperial revolutionary struggles, not the sort to be won by outsiders.⁸

Behind ideology must lie calculations of cost and risk. While on ideological grounds Cuba might be tempted to support black nationalists in southern Africa, the prospect of fighting South Africans or even Rhodesians would give pause to both Cuba and her Soviet sponsors. There is danger enough that Angola will become a bog for Cuba, but it is likely to remain a success at relatively low cost. Other southern African wars would not be so; they could become quagmires for Cuba, with high costs as well in potential for disrupting Soviet-American relations.

When I posed specific scenarios—full-scale conflict in Namibia or Rhodesia, with the black nationalists calling for Cuban help—the answers of my Cuban respondents became more ambiguous. The distinction between Angola and other situations was repeated, but so was the Cuban commitment to 'internationalism'. Cuba could scarcely avoid all involvement even if she desired, for if southern African conflicts become major wars the Soviet Union will be the principal source of arms for the

⁸ Rodríguez' remarks were reported in the *International Herald Tribune*, 22-23 May 1976. It is curious to notice how different that distinction is from Cuban policy of the 1960s.

nationalists, and Cubans will no doubt be called upon to provide training for Soviet arms, a role they played in Syria in the early 1970s and apparently are playing now to an extent in Mozambique. But my dominant impression remained that Cuba would attempt to avoid major involvements.

Political organization and relationships with Eastern bloc

Cuban involvement in Angola directed attention to the question of the Cuban-Soviet relationship, however simplistic some of the answers may have been. That question also runs through recent developments in political and economic organization, through the 'institutionalizing' of the revolution. As with Angola, precise answers are not easily found. Changes in political organizations, ratified by the First Communist Party Congress in December 1975 and by the new Cuban Constitution approved in a plebiscite in February 1976, have brought Cuba closer in line with orthodox forms of Eastern Europe and the Soviet Union. Those changes have been accompanied by the accession to greater power of several 'old Communists' from the pre-Castro and pro-Soviet Popular Socialist Party (PSP). The Cuban economic planning institution, Juceplan, has become closely linked to the Soviet Union's Gosplan; considerable authority for economic decision-making has been delegated to President Osvaldo Dorticós, a moderate whom the Soviets apparently trust, and to Carlos Rafael Rodríguez, an economic planner and 'old Communist' also close to Moscow.⁴

At the same time, the Cuban revolution remains personalized in Fidel Castro and his comrades from the Sierra Maestra (or the slightly more inclusive 26 of July Movement). That is true, if perhaps less true than a decade ago, despite the decentralization of authority, especially in economic policy, entailed by the institutionalization of the revolution since 1970. While it is difficult in general and in specific instances to determine the relative importance of Fidel's preferences, of the party, the bureaucracy or the Soviet Union, Fidel remains the *líder máximo*. Perhaps the key to the position of Fidel and his brother Raúl is their base in the Revolutionary Armed Forces (FAR), of which Fidel is Commander-in-Chief and Raúl is Minister; they have courted the army's commanders, given ministerial portfolios to senior officers and insured that loyal officers reached top ranks.

When I asked Cubans to think about the unthinkable—who would lead Cuba a decade or more hence when Castro is not on the scene—the men they mentioned were all those who had participated in the 26 of July Movement as teenagers, recent additions to the Central Committee of the

⁴ For a discussion of recent political and economic changes and of their implication for Cuban-Soviet relations, see Carmelo Mesa-Lago, *Cuba in the 1970s: Pragmatism and Institutionalization* (Albuquerque N.M. The University of New Mexico Press, 1974); and Edward Gonzalez, 'Castro and Cuba's New Orthodoxy', *Problems of Communism*, January-February 1976.

Party, men half a generation younger than Fidel. In recent changes 'old Communists' have been promoted to senior positions, but so have 'new Communists' close to Fidel.⁵

The mix of Communist organizational orthodoxy and Castro's pre-eminence is reflected in the new structures. This year an experiment in participatory government, *Poder Popular* (People's Power), is being extended to the whole country. Assemblies are being elected at the municipal, provincial and national levels; municipal assembly elections took place in October 1976. According to the new Constitution, the National Assembly is 'the supreme organ of state power', more or less equivalent to the Supreme Soviet of the Soviet Union.⁶ Yet the Constitution also makes clear the primacy of the Communist Party, which had expanded to a membership of over 200,000 by the end of 1975. The Party is designated 'the superior leading force of the state and society'. The provincial and municipal assemblies of People's Power seem intended to increase popular mobilization and, especially, to improve the efficiency of government services through decentralizing administration.⁷ They are not legislative bodies in the Western sense.

The Constitution clearly recognizes the personal role of Fidel Castro. Following Soviet practice, it distinguishes between the state and the government, but instead of designating a collegial body as head of state, on the model of the Soviet Presidium, Cuba will have a single 'President'. That President, certain to be Fidel, is also the head of government and the Commander-in-Chief of the Revolutionary Armed Forces.

There have been clear benchmarks since 1970 in the process of interconnexion between the Cuban economy and the Eastern bloc. In 1970 a Soviet-Cuban Commission of Economic, Scientific and Cultural Co-operation was established, giving the Soviet Union a much larger role in Cuban economic planning. In July 1972 Cuba was admitted to Comecon, and in December of that year Havana and Moscow signed a series of economic agreements that provided for Soviet aid and technical assistance, higher prices for Cuban exports and deferment of Cuban debt. In the five years after 1968 the Soviet Union's share of Cuban trade was consistently around half, with other Comecon countries taking another fifth.⁸ With higher world sugar prices in 1974 and 1975, Cuban trade with the West rose, perhaps exceeding 40 per cent of total trade in

⁵ For instance, of 24 new additions to the Party's Central Committee announced in December, 14 had links to the 26 of July Movement, while only 7 had backgrounds in the PSP. Gonzalez, 'Castro and Cuba's New Orthodoxy', *op. cit.*, p. 18.

⁶ The Government has printed copies of the new Constitution in both Spanish and English. A copy of the draft constitution was also published in *Granma*, 20 April 1975.

⁷ Gonzalez, 'Castro and Cuba's New Orthodoxy', *op. cit.*, p. 7.

⁸ Leon Gouré and Morris Rothenberg, *Soviet Penetration of Latin America* (Miami: University of Miami Center for Advanced International Studies, 1975) p. 42.

1975. Cuba's total debt to the Soviet Union reached 4.3 billion dollars in 1974, exclusive of military hardware, which had amounted to several billion dollars before Angola.

Cuba's agreements with the Soviet Union have entailed guarantees to safeguard the Soviet stake in Cuba and adherence to Soviet principles of economic organization. For instance, Cuba has downplayed her previous emphasis on the abolition of money, on egalitarian wage policies and on moral incentives. She is currently in the midst of a reorganization of territorial jurisdiction in an effort to improve administrative efficiency and a revamping of planning machinery which will accord a central place to pricing policies, the profitability of individual state enterprises and public sector expenditure analysis.⁹

Current economic problems

Much of Cuba's current economic difficulty revolves around the price of sugar. To be sure, there have been problems occasioned by economic mismanagement and by drought, but sugar remains the key. The world price of sugar reached a peak of 66 cents per pound in November 1974; at present it is well under 10 cents a pound. Since Cuba sells over half her sugar to Comecon, at pegged prices, the effect of current low prices is less for her than for other Latin American sugar exporters (just as Cuba was less able to profit from the record high prices of two years ago).¹⁰ But the effect is serious for Cuba. The island simply will have less hard foreign exchange to buy machinery and other imports from the Western industrial nations. Correspondingly, dependence on the Soviet Union will become more pronounced.

The collapse of sugar prices comes at an unfortunate time for the Cuban Government. With the consolidation of the revolution, the expectations of Cuba's citizens have risen, particularly those of urban groups. Over the last five years the Government has begun to ease its deliberate bias in public expenditure towards rural areas and away from Havana; more consumer goods have become available in the shops of major cities, but many Cubans still have much more money to spend than things to buy. Now that situation will worsen. This past autumn the ration of coffee allotted to coffee-loving Cubans was cut to an ounce a week.

⁹ In his speech on the economy to the Party Congress, Fidel Castro talked of past mistakes: 'Revolutions are liable to have their periods of Utopia in which their participants, dedicated to the ideal of making reality of their dreams and practice of their ideals, believe that historic goals are much closer, and that the desires of men can overcome objective facts . . . At times the utopian attitude also is accompanied by a certain disdain for the experience of other processes.' His speech is reprinted in *Economía y Desarrollo* (Havana), July-August 1976; other details on the new planning procedures are contained in the same issue.

¹⁰ The pegged price paid by the Soviet Union was raised to slightly over 12.8 cents a pound in 1973 and to 20 cents in 1974. At present, since the pegged price is linked to the cost of Cuban imports from the Soviet Union, Cuba may receive as much as 30 cents a pound.

Construction and industrialization programmes, especially those requiring many imports, will be hindered. All the Cubans I spoke to expressed the country's determination that impressive advances in education and health care would not be affected. But even in those areas new efforts will be slowed. For instance, construction targets for Cuba's innovative rural secondary schools have been lowered.

Cuban leaders emphasize their pledge that Cuba will meet her foreign debts. There are ambitious plans to save foreign exchange and to increase exports, both traditional (sugar, tobacco, nickel and fish) and new (citrus fruits, candies). However, many of the lead times for increased exports are long, and Cuba can expect little help with immediate foreign exchange problems.¹¹

Relations with Latin America and the United States

Angola delayed Cuba's re-integration into Latin American affairs, and it stopped the move towards Cuban-American rapprochement dead in its tracks. The future of both processes will depend on many factors outside Cuba—on internal politics in Latin American states and in Washington under the Carter Administration. But much will hinge on Cuban actions, both internal and external.

Most Cubans I talked to acknowledged that relations with other Latin American states had cooled, and many admitted that Angola was a reason. (However, most attributed the effect to distorted reporting of African events, to US propaganda or, in one case, to the intriguing argument that small Latin American countries, themselves so often past targets of US intervention, find it difficult to distinguish between 'intervention' and true 'internationalism' of the sort Cuba displayed in Angola.)¹² In several trips to Latin American countries in the last year I have detected little fear that Angola might presage a return to active Cuban support for violent revolution in Latin America. Any increase in such support will be marginal and will owe more to changes in Latin American circumstances than Cuban doctrine—for instance, with a military government in Argentina, Cuba might become *marginally* more supportive of anti-government movements there.

For many Latin American countries, Angola merely put a point to continuing sensitivity about Cuba. For some of the smaller Caribbean states, the object of that worry may be concrete: Cuba's large and evidently mobile army. But for most the anxiety is rooted in the histories

¹¹ Fidel Castro discussed Cuban economic problems with considerable frankness in a speech at Revolution Square on 28 September 1976. That speech is printed, among other places in the magazine of the FAR, *Verde Olivo*, October 1976.

¹² A Panamanian official indicated that apprehension about Castro's intentions on the part of other Latin American leaders was responsible for the cancellation of a planned 1976 summit conference in commemoration of the 1826 Panama Congress. See the *International Herald Tribune*, 3-4 April 1976.

of their relations with Havana over the last two decades. Countries like Venezuela and Mexico clearly remained edgy about Cuba even as they advocated an end to OAS sanctions against the island.¹³ In a sense, the Cuba issue has been as important in those countries' relations with the United States as with Cuba; it has served as much as a means of developing Latin American unity in contrast to Washington as of pursuing substantive interests in closer relations with Havana.

My conversations about relations with the United States illustrated a striking mixture, a combination of hardness and expectation. The same Cubans who were confident that the CIA had been involved in the bombing of the Cuban airliner off Barbados on 6 October—involved either directly or indirectly, by failing to prevent anti-Castro Cubans from planting the bomb—also saw the normalizing of Cuban-American commercial relations as inevitable, and implicitly as desirable.¹⁴ When pressed to put a time horizon to that expectation, the most frequent response was 'within two years', though often with the admission that the bet would have been the same two years ago.

There is no doubt that Cuban-American relations, such as they were, deteriorated during 1976. Angola was the main cause; the Cuban Government, like the Soviet, may have been right in its predictions of what the United States would do in Angola, but both may have underestimated the depth of the mark that the Angola aftermath would leave on American politics. Presidential electioneering made the reaction all the stronger and more enduring.

Yet, Africa aside, the calculations remain favourable to normalizing relations, for the United States as well as Cuba.¹⁵ For Cuba, the American blockade still hurts. Cuba still, for example, cannot sell much nickel to Western Europe because the United States excludes manufactured imports that contain Cuban nickel. A move towards more normal relations would provide Cuba with access to American markets for sugar, tobacco, fish and other exports. She would be able to buy American food and manufactured exports, thus reducing the complication of buying through third countries and the difficulty of placing orders through socialist economies halfway around the world.

For the United States, the economic gains would be less marked, but

¹³ One evidence of continuing Mexican-American co-operation with regard to Cuba, notwithstanding the opposite formal Cuban policies of Mexico City and Washington, is the difficulty US visitors to Cuba have in obtaining visas to enter Mexico from Cuba.

¹⁴ Fidel Castro expressed the same conviction about the bombing at an emotional ceremony of mourning for the 57 Cubans who had died in the crash, attended by more than a million Cubans in Revolution Square on 15 October: 'Behind these events is the CIA.' *Granma*, 16 October 1976. In the week after Fidel's speech the Government erected posters all over Havana proclaiming 'CIA Assassins!'

¹⁵ For a longer, still apt, discussion of those calculations and of problems that will beset the process of normalizing relations, see Abraham F. Lowenthal, 'Cuba. Time for a Change', *Foreign Policy*, Fall 1975.

the margins of exports and imports would be helpful. If US products remain the standards for Cuban shoppers, so do Cuban cigars for American smokers. The end to the mandatory OAS sanctions against Cuba has reduced the friction produced by the Cuba issue in Washington's bilateral relations with other Latin American states, but the United States may risk falling further out of step with Latin America by attempting to maintain the isolation of Cuba. Finally, normalized relations with the United States would hardly make Cuba *more* responsive to the Soviet Union, and by reducing Cuban dependence Soviet influence in the island might eventually be reduced. That would not happen rapidly—Cubans stress that their commerce with the Eastern bloc, as well as their political alliance, are unalterable—but more trade with the West would undoubtedly mean less with the East.

In the wake of the Barbados bombing, Castro has declared his determination to end the anti-skyjacking agreement signed with the United States in 1973. But the agreement, itself a Cuban initiative, provides for a six-month period before termination; by emphasizing that period and through other signs, Castro has indicated that the agreement need not actually end, provided that the United States shows some sign that it is willing to abide by its part of the 1973 agreement—acting to prevent attacks on Cuba by anti-Castro groups. One such sign would be active American involvement in the investigation of the Barbados tragedy. Beyond that, if Cuba behaves in Africa as I have suggested she is likely to, President Carter may decide that moves toward normalization should resume. The obstacles along the way are formidable: compensation for expropriated American companies is one, the status of the US base at Guantanamo another, and further along the question of Cuban support for Puerto Rican independence is another, harder still. But there continues to be on the Cuban side a disposition to begin a process, proceeding with the issues that can be resolved while holding thornier ones for later in the normalization process.

While in Cuba I asked often about dangers for Cuba in normalizing relations with the United States, the ideological and actual enemy. Will there not be, I asked, a risk to the solidarity of the revolution in reversing course and dealing, not just with the American people—whom Cuban leaders never fail to carefully distinguish from the American Government—but with that Government itself? The answer was that there might have been danger when the revolution was younger, but that now the people understand, they have accepted the need for commercial agreements with other capitalist countries; the revolution is solid. And so it is. But I still wondered: the emotional unity built in opposition to the United States after the Barbados crash was unquestionably genuine, but I also felt it served the more general purposes of a Cuban Government facing some international criticism of its foreign policy and imposing yet another period of domestic austerity.

So UNCLOS failed – or did it?

J. E. S. FAWCETT

THE fifth session of the UN Conference on the Law of the Sea ended in September 1976 without consensus on any major issue. The first conference in 1958 had drafted four international conventions, which came into force over the next decade: High Seas Convention, 1962; Territorial Sea Convention, 1964; Continental Shelf Convention, 1964; and Conservation of Fisheries and Living Resources of the Sea Convention, 1966. Their adoption was by no means universal, none receiving more than 60 ratifications by countries,¹ but they have come to be generally accepted as a codification, not always uncontroversial in its terms, of the law of the sea in the particular areas covered: for example, a recent English statute refers to the provisions of the High Seas Convention as 'part of the law of nations'. The second conference in 1960 failed to reach agreement on a general rule for determination of territorial sea limits. The current series of conferences began in 1974 and a sixth session is planned for May–July 1977.

Among the forces behind these efforts to restate the law of the sea in a modern, coherent and generally accepted form are technological changes: new fishery techniques, including the identification of fish stocks by Earth satellites and the use of 'factory' ships, and means of exploiting the seabed and exploiting its resources, extended and effective far beyond what was foreseen even in 1958; the political pressures from developing coastal states, and land-locked states newly emerging as an interest bloc, claiming fair shares in the resources of the sea; and economic pressures, on the one hand from the demands for seabed resources and, on the other, from the widening recognition of the necessity to conserve stocks of living resources of the sea.

Two major problems now dominate the conference debates: the regulation of the exploration of the *deep seabed*² and exploitation of its

¹ In Europe, participation is uneven: Denmark, Netherlands, Poland, Spain, Sweden and the UK have ratified all four, and the USSR all but that on conservation, while the coastal states that have not ratified the Territorial Sea Convention are Cyprus, France, Federal Republic of Germany, Greece, Iceland, Ireland, Norway, Sweden and Turkey.

² This expression has come to be sometimes used to describe that part of the seabed that lies beyond the limits of any national jurisdiction.

The author is President of the European Commission of Human Rights and Professor of International Law at King's College, University of London. He is currently directing a Chatham House research project, supported by the Noel Buxton Trust, on International Law and Resource Conflicts.

resources, minerals on the seabed and oil and natural gas in its subsoil; and the status and characteristics to be accorded to the exclusive economic zones (EEZ) claimed by an increasing number of coastal states. The conference is also engaged in a systematic revision, with extensions, of the four existing Conventions, and in the elaboration of a system of settlement of maritime disputes.

Positive elements in the last two sessions have been the wide representation—147 countries participated in the fifth session, making it perhaps the largest international conference in history—the reduction of issues and proposals largely to a single negotiating text and a determination, despite some deep divisions in policy, to construct a law of the sea apt for the late twentieth, rather than the seventeenth, century.

The single negotiating text of May 1976, varied in places by proposals made at the fifth session of UNCLOS, has four parts covering respectively the deep seabed, the amalgamation and revision of the four existing Conventions, the protection of the marine environment and the conduct of marine scientific research and transfer of technology and, finally, a generalized system of settlement of maritime disputes.

A deep seabed regime

A regime for the deep seabed has been the subject of many proposals and much debate. It must suffice here to note the bare essentials of the regime set out in Part I of the single negotiating text, and the main points of disagreement over it that appeared in the fifth session.

The Area of the regime would be 'the seabed and ocean floor and subsoil thereof beyond the limits of national jurisdiction' (Article 2[1]), without apparently any geographical limitation or regional subdefinition. The Area and its resources are declared to be 'the common heritage of mankind' (Article 3), and a number of consequential principles are laid down to govern activities in the Area and use of its resources, though these shall not affect 'the legal status of the waters superjacent to the Area or that of the airspace above those waters' (Articles 5–19).

An International Seabed Authority would be established, composed of States parties to the Convention. In the structure envisaged—an Assembly of members, a Council of 36 members chosen on a basis of equitable geographical representation and special interests,³ and a Secretariat—and in their functions, the Authority would broadly resemble a UN specialized agency.⁴ But it is also given, in the critical Article 22, powers of 'control over activities in the Area' to secure com-

³ The Council would have three subordinate Commissions: an Economic Planning Commission, a Technical Commission and a Rules and Regulation Commission. The draft also provides for a Tribunal for settlement of disputes, its form depending on the evolution of Part IV of the single negotiating text.

⁴ Article 28(2) empowers the Authority to 'enter into agreements with the United Nations or other intergovernmental organizations'.

pliance with the provisions of the Convention, to engage in Area activities itself through an Enterprise. This would be a distinct corporate body with defined structure and functions⁵ and would enter into contracts of exploration and exploitation activities in the Area. Activities are also envisaged of 'States Parties, or State enterprises, or persons natural or juridical, which possess the nationality of States Parties or are effectively controlled by them or their nationals, when sponsored by such States' in association with the Authority. There is some similarity here with the Intelsat system. Activities in the Area would be carried out in accordance with a 'formal written plan of work' drawn up in accordance with Annex I and approved by the Council.

It is not surprising that this scheme, giving powers on an unprecedented scale to an international organization, is highly controversial. Representing broadly the proposals of the 'Group of 77', it faces at least two alternative schemes. The United States proposes that state enterprises and private corporations should be free to conduct activities of exploration and exploitation in the Area 'parallel' to those of the Authority; and this principle is accepted by some countries, but with the important qualification that the participation of enterprises other than the Authority should be temporary only and phased out in a prescribed time. The USSR has proposed that exploitation of the resources of the Area should be conducted by states, with equal access for all countries, and the Authority. The United States took the position before the fifth session that, unless an international solution acceptable to it were found within a reasonably short time, it would act unilaterally and grant licences to US companies of access to deep seabed resources.

Revised draft Convention

The revision of the four existing Conventions is presented in the single negotiating text as *one* draft Convention consisting of 131 Articles. Though much of the draft embodies provisions of the four Conventions as they stand, there are a number of notable new principles, additions and elaborations.

Among the new principles are the formal prescription of limits of 12 miles for the territorial sea (Article 2) and 24 miles for the contiguous zone (Article 32). The former is new only in its express formulation, since this limit has come to be recognized, and adopted by many countries, since 1958.

Of far greater political and economic impact is the new, even revolutionary, principle of the exclusive economic zone (Articles 44-63). Not wholly without precedent,⁶ it has attained rapid and wide acceptance in

⁵ Annex II contains its statute.

⁶ In South America, Argentina, Brazil, Chile, Ecuador, Peru and Uruguay had all declared marginal sea limits of 200 miles before 1972.

the last four years both in UN deliberations and in practice.⁷ However, the status and characteristics of an exclusive economic zone, as set out in the single negotiating text,⁸ are still in dispute—in particular as to whether such a zone remains in general part of the high seas, as demanded by the US, or has a special status forming part neither of the coastal state nor the high seas. At present it appears likely that the principle will be developed by unilateral action of coastal states, though the UNCLOS formulations have already shown themselves to have had an influence on the form that action takes.

The continental shelf

The draft Convention includes a new definition of the continental shelf (Article 64),⁹ adopting the criterion of 'natural prolongation' of the land, enunciated by the International Court of Justice in the *North Sea Continental Shelf Cases* (1971), but introducing the notion of 'continental margin'¹⁰ which is not only imprecise in itself, but would give seabed rights not always coincident with the exclusive economic zone.

Further, there shall be payments and contributions made by coastal states in respect of exploitation of the continental shelf beyond 200 miles from the normal baselines, these payments and contributions to be made to the International Seabed Authority and distributed by it (Article 70). This principle, linked to the financial arrangements for exploitation of the deep seabed under contract with the Authority,¹¹ would serve two purposes: the fair and equitable distribution of the benefits obtained from marine resources, and the introduction of a financial restraint on exploi-

⁷ For example, in the present year Canada, the Farøes, UK and US have enacted or declared the creation of exclusive fisheries zones out to 200 miles from their coasts, while Norway and Mozambique have declared similar zones of a broader economic character. See also *UN Report on the Economic Significance in terms of Seabed Mineral Resources of the various Limits proposed for National Jurisdiction A/AC 138/87* (4 June 1973).

⁸ Under Article 44(1) the coastal state would have: '(a) sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the seabed and subsoil and the superjacent waters; (b) exclusive rights and jurisdiction with regard to the establishment and use of artificial islands, installations and structures; (c) exclusive jurisdiction with regard to (i) other activities for economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds, and (ii) scientific research; (d) jurisdiction with regard to the preservation of the marine environment, including pollution control and abatement.'

⁹ 'The continental shelf of a coastal state comprises the seabed and subsoil of the submarine areas extending beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured, where the outer edge of the continental margin does not extend to that distance.'

¹⁰ For a rational method of determination of the limits of national jurisdiction over the seabed, see Hollis D Hedberg, 'The National-International Jurisdictional Boundary on the Ocean Floor', *Ocean Management*, 1 (1973), pp. 83-118.

¹¹ See Special Appendix to Annex II of the single negotiating text.

tation of mineral resources, unreasonably competitive with land production.¹²

Important additions to the existing Conventions include regimes for straits used for international navigation (Articles 33-43) and for mid-ocean archipelagoes (Articles 118-127) and the declaration that 'rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf' (Article 128[3]). While Rockall may fall within this exclusion, it would not presumably be denied a territorial sea or an exclusive *fisheries zone* around it.

The draft also sets out in some detail the duties of flag states in regard to their registered vessels (Article 82), rules to govern sea-lanes and traffic separation schemes (Article 21), and the control of unauthorized marine broadcasting (Article 37). It also clarifies the position in relation to the territorial sea of reefs, deltas and river-mouths (Articles 5, 6[2] and 8), and specifies what may be prejudicial to a coastal state in the passage of foreign vessels through its territorial sea, and the proper subject-matter of regulation of innocent passage (Articles 18, 20).

Marine environment

The principles of protection of the marine environment, which are dealt with in Part III of the single negotiating text, do not appear to have been seriously contested, though how far particular regulations should be subject to approval by international bodies is still for discussion. But the Chapter dealing with marine scientific research (Articles 48-77 of Part III) led to a marked division of opinion as to whether the consent of a coastal state shall be required for scientific research, to be carried out in its exclusive economic zone by another state or an international organization. There is a requirement of consent in Article 60(1) of the draft Convention, though it may not be withheld unless the research 'bears substantially upon the exploration and exploitation of the living and non-living resources', or involves drilling, or the use of explosives, or the construction or use of artificial islands, or interferes with economic activities of the legitimate coastal state (Article 60[2]). Research is also subjected to a number of seemingly reasonable conditions in favour of the coastal state. However, a number of 'developing' countries have been insisting on the requirement of consent of the coastal state for any marine research in its economic zone, and the USSR, originally opposed to this, joined them in the fifth session. The US, the Federal Republic of Germany and the

¹² On these two purposes, see respectively: *UN Report on Possible Methods and Criteria for the sharing by the International Community of Proceeds and other Benefits derived from the Exploitation of the Resources of the Area beyond the Limits of National Jurisdiction: A/AC/138/36* (15 June 1971), and A. A. Archer, 'Economics of Off-shore Exploration and Production of Solid Minerals on the Continental Shelf', *Ocean Management*, 1 (1973), pp. 5-40.

Netherlands are among the countries still demanding freedom of marine research, subject to reasonable limitations.

Conclusion

How then may the UN Conferences on the Law of the Sea be assessed? Much depends upon what is expected of such conferences, and the time-scale applied. There is a kind of infantilism in those who reject the UN and its methods because they do not speedily produce adequate and generally accepted solutions to problems that are always intractable and often new.

In the first place, it is a remarkable advance in international relations that so vast a range of interrelated maritime issues is being debated and negotiated at all; and still more remarkable that almost the entire world is now engaged in a collective and systematized effort to establish common maritime rules and standards. But conflicts of interest, and mistaken perceptions of interest, are inevitable and the emergence of interest blocs in UNCLOS, often shifting in composition, is as familiar as it is in the UN General Assembly itself. Three groups could be discerned in the fifth session: the industrialized coastal states, many having large shipping and fishery interests; countries, half of them land-locked and half 'geographically disadvantaged', united in seeking a share of marine resources; and coastal states in the enlarged 'Group of 77', led by Mexico and determined to protect their actual or potential resources against all comers. So Jorge Castañeda of Mexico is reported as saying that access of land-locked countries to non-renewable mineral resources in neighbouring economic zones is 'absolutely unacceptable'.

Yet the conflicts have not blocked forward steps in the modernization of the law of the sea by UN conference methods. First, the mere formulation of principles, rules and standards, has defined issues and clarified concepts in terms understood in all countries, so as to influence practice even though the propositions fall short of general acceptance. Thus the growing pressure among coastal states to extend their marginal seas was not met by formal agreement on territorial sea limits in the first two Law of the Sea Conferences in 1958 and 1960; yet the practice of extension in the next decade was concentrated around the adoption of a 12-mile limit, derivable from interpretation of the Territorial Sea Convention. Secondly, the conferences since 1974 have succeeded in establishing a distinction, confusingly absent in the traditional law and practice, between the sea as a medium of communication, and the sea as a deposit of immense natural sources. The traditional freedom of the seas, expressed often as a principle of law, was essentially an element of the first, and its extension to the second has come to be seen as inequitable in the distribution of resources and as potentially damaging to the common interest in conservation of resources and protection of the

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marine environment. Finally, UNCLOS has secured the recognition of this common interest in the sea and its resources, as a controlling factor in any restatement of the law of the sea, by extracting and formulating standards from various existing conventions on the conservation of living resources and the prevention of pollution, and so generalizing them.

In the short term UNCLOS may continue to 'fail', and there may be more confrontations in competitive uses of seabed minerals or 'cod wars', but in the longer term—and here even a quarter of a century is brief—UNCLOS will be seen to have moved the world towards a management of the sea and its resources, more constructive and better fitting the times.

The emancipation of Transkei

R. SCHRIRE

'The Transkeian experiment represents too little too late at a time when South Africa's destiny is no longer solely in the hands of the whites.'

ON 26 October 1976 the South African Government granted the Transkei, a 37,000 sq. kilometre territory on the south-east coast of the Cape Province, independence. With the exception of South Africa, no state has recognized Transkei and, indeed, the United Nations explicitly condemned South Africa. Why has so much attention been lavished on a territory that on the surface appears to be devoid of any importance? South African and foreign opinion leaders perceived that the importance of Transkeian independence lay in its significance as part of the larger South African situation and it is therefore necessary to examine Transkei within the broader context of South African domestic and external policies.

South Africa achieved independence in 1910 as a white-ruled state and thereafter based her internal policies and practices upon various forms of racial separation and discrimination. By and large, however, official policy took the form of ad hoc responses to conflicting economic and political pressures rather than a coherent programme for the long-term regulation of racial contacts. Only since 1959, with Verwoerd's 'New Vision' speech, has a coherent view, partly embodied in legislation, claimed to provide a solution to South Africa's vexing problems. Separate

Dr Schrire is Senior Lecturer in the Department of Political Science at the University of Cape Town and Faculty Research Associate at Syracuse University.

Development, as the policy has become known, is based on the assumption that South Africa is a multi-national and not a multiracial society. This shift in perspective is not merely a matter of terminology, although there are obvious advantages in eliminating from political discourse the hated term 'apartheid'. Multiracialism implies that racial conflicts should be regulated by means of a political mechanism that reconciles different interests in one political unit. Multi-nationalism, on the other hand, prescribes that conflicts should be resolved through the separation of nations into their own political and socio-economic units. The goal of South African policy is therefore to divide the country into ten black, and one white, nations—including presumably the Coloured and Indian communities as appendages.

Transkei was the logical starting point for this attempt at political reconstruction. It differed from the other 'native reserves' (later renamed Bantu Homelands) in several important respects. Unlike the other homelands, it is a relatively consolidated geographical entity, comprised of one major and two minor pieces of land—in marked contrast with the Zulu homeland, for example, which is made up of several dozen pieces. In addition, Transkei has enjoyed a measure of local self-government as a territorial unit. As early as 1894 the Glen Grey Act established district councils to assist in local administration and this was gradually extended to all the 26 (now 28) magisterial districts. A unique institution, the Bunga, was established and by 1931 included all the districts that constitute contemporary Transkei (excluding new areas recently granted by South Africa). In 1956 the Bunga was replaced by the Transkei Territorial Authority, a precursor of the present National Assembly.

In turning to the present, there are three aspects of Transkeian independence that are of great importance. What kind of independence has been granted and is it, or can it be made, meaningful? Secondly, to what extent does Transkeian independence solve the problems of white-black relations? Finally, what impact will these developments have on the course of events in South Africa?

What kind of Independence?

From the perspective of constitutional law, Transkei has been granted full sovereignty. Legal sovereignty is, however, not necessarily effective independence. In an interdependent world, independence should be viewed as a relative condition. If we define it as the ability of a state fully to control its own destiny, then few, if any, states qualify as independent. It may therefore be useful to distinguish between interdependence (a situation of mutual dependency between two states), which is compatible with a real measure of autonomy, and genuine dependence (a relationship between two states characterized by one-sided and heavy reliance of one of the states) which is not.

Transkei faces two critical barriers to self-determination: it is economically dependent to such a degree that it could be argued that it lacks an independent economy, and the fact of non-recognition by the world community reinforces this pattern and makes the exercise of many sovereign powers all but impossible. What distinguishes Transkei's economy from other African states is not the level of development, which is higher than that of several other independent states, but the degree of reliance upon South Africa. The present situation, and recent trends, are graphically illustrated by the following statistics: between 1963 and 1975 the contribution to the Transkei government revenue which derived from taxes on migrant earnings increased from 50 per cent to 70 per cent of the total; during the 1973/74 financial year R286·3 m. (of a total black net national income of R390·3 m.) was earned in South Africa; between 1963 and 1975 the number of short-term migrant workers from the Transkei in South Africa increased from 116,000 to 350,000; of every six new employment positions available to Transkeians, five were located in South Africa and six of every seven males in the Transkei were dependent on cash earnings from migrant labour, between 1964/65 and 1975/76 the South African contribution to the Transkeian government's budget increased from 78·5 per cent to 81·3 per cent (excluding the indirect South African contribution in the form of taxes on income earned in South Africa by 'Transkeians', which amounted to 70 per cent of the Transkeian contribution to its own budget).

Can formal independence change this situation? To a considerable extent this will depend upon the response of the world community and especially the West. If Transkei receives recognition and aid and investment this cycle of dependence could change over time. South African direct aid is about R130 m. p.a. and, under favourable circumstances, could be replaced from outside sources. More difficult to break would be dependence on migrant labour earnings, although foreign investment could gradually modify the prevailing pattern. Recognition and aid appear unlikely at present. Although Transkei fulfils the conventional criteria of statehood (territory, population and government), the major barrier to recognition is South African sponsorship of Transkeian independence within the framework of Separate Development.

A policy of balkanization

The emancipation of Transkei represents the first stage of the application of a policy designed to balkanize South Africa. The policy has been implemented hesitantly and reluctantly in response to domestic pressures for political rights and external demands for the dismantling of racial discrimination. The legislative framework of Separate Development has been superimposed upon the earlier legislation enacted for the more limited purpose of protecting white interests. The result was predictable:

political advances have not been matched by progress towards the formation of independent territorially based socio-economic communities. The homelands remain scattered pieces of land without any viable core.

Even Transkei, the most favoured and favourably situated of the homelands, has not been able to avoid these problems. The official population is in fact made up of two incongruous elements: 1.7 million Xhosa actually based in the Transkei, although largely dependent upon South Africa for employment and earnings, and 1.3 million Xhosa permanently living in South Africa with tenuous or non-existent ties to the territory. Official doctrine continues to be based upon the myth that in time these Xhosa will return to the Transkei; in practice, an uneasy compromise exists in terms of which they are accepted as permanent inhabitants of South Africa while exercising all 'political rights' in the homelands. Although the South African and Transkeian leaders have 'agreed to disagree' on the citizenship status of the Xhosa residing permanently in South Africa, the issue is too critical to remain in limbo indefinitely and will have to be resolved. It is this South African insistence that all Xhosa of Transkeian origin are Transkei citizens that constitutes the strongest argument against the recognition of the territory as an independent entity. The reality is that more than one million Xhosa, whether legally Transkeian citizens or stateless persons, will continue to be in the 'white' areas in perpetuity. By force of circumstances, South Africa has become both a multiracial *and* a multinational society. As *the* solution to problems of a plural society, Transkei and the larger policy of Separate Development must be viewed as largely irrelevant.

Domestic and foreign repercussions

The third issue addressed in this article is the most speculative: the impact that Transkei will have on South Africa's domestic and foreign position. To the extent that Transkeian independence was designed to placate hostile world opinion it has clearly failed. No state has recognized Transkei, in part at least because recognition has been viewed as legitimizing a patently unjust policy. Recognition of Transkei will in the end be a consequence of substantive change in South Africa itself.

It is here that Transkei can play a creative role in fostering progress in South Africa. In the absence of world recognition, Transkei will not be in a powerful position to bargain with South Africa over the political rights of South African Xhosas or an equitable distribution of resources between black and white. Yet the logic of South Africa's own policy dictates that Transkeians in the 'white areas' should enjoy the full social and economic rights currently enjoyed by all white non-citizens. A change in this direction would constitute a fundamental modification in present practices and could herald the beginning of a new dispensation for all South Africa's peoples. Turning to developments within Transkei itself,

a stable, non-racial and democratic government could partly eliminate white fears about the dangers of black rule. Conversely, a deterioration in internal conditions could reinforce prevalent white fears and strengthen their determination to retain supreme power.

The indications that Transkei will play a constructive role in changing white attitudes are not encouraging. The Transkei polity is basically traditional, with a National Assembly composed of 75 elected members and 75 ex-officio chiefs superimposed upon a traditional tribal system at the local level. Although several political parties have been established, none of them enjoys more than a nominal existence. It is doubtful whether this structure can incorporate the demands for popular participation which are likely to emanate from modernized groups and interests. Indeed, recently many members of the opposition, including parliamentarians, have been arrested and it may be significant that the Transkei Government has retained a white as the commander of the military.

Transkei government is in fact a two-man government: Kaiser Matanzima and his brother George who between themselves control the Premiership, Deputy Premiership, Leadership of the House, Defence, Police and Prisons, Justice and the Public Service Commission. Given Transkei's isolation, the danger exists that these undemocratic tendencies will accelerate. Transkei, spurned by the world, faces increased antagonism even in Southern Africa where the leaders of Lesotho, Qwaqwa, Kwa Zulu and Ciskei boycotted the independence ceremonies and are now expressing varying degrees of verbal hostility.

It is probable that history will evaluate Transkei's independence as more than an historical footnote but less than a major breakthrough. The Transkeian experiment represents too little too late at a time when South Africa's destiny is no longer solely in the hands of the whites.

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Note of the month

JAPAN: A NEW LEADERSHIP

IN the Japanese elections of 5 December 1976, the Liberal Democratic Party (LDP), after 21 years of monolithic rule, lost its outright majority and obtained only 249 of the 511 seats in the Diet's House of Representatives (Lower House). It is, however, assured of a relatively safe total of 260 by being supported by 11 right-wing Independents.

In the opposition camp, the Japan Socialist Party obtained 123 seats (previously 112); Komeito (Clean Government Party), the political wing of the Sokagakai Buddhist sect, overtook the Communist Party to emerge as the second largest opposition force with 55 seats (previously 30); the Democratic Socialists increased to 29 seats (19); the New Liberal Club, a breakaway group from the LDP, captured 17 seats (5); and the Independents obtained 21 seats (4). The Japanese Communists suffered a severe setback, losing 22 of their 39 seats. As the opposition's combined strength is 207 seats with the tacit support of 7 left-wing Independents, against the LDP's effective 260 with the likely added support of 17 NLC and 3 Independents, and as the opposition parties are hopelessly disunited, the Liberal Democratic Party should stay in office for its full four years' term.

Japan's thirteenth election took place at the end of a full term of office which did not have much significant effect on domestic or foreign policy issues and ended in bitter factional fights, leaving the voters disillusioned with power politics and confused. Nevertheless, the election was regarded as a watershed in some quarters which hoped that it would offer a chance for reform.

After a long journey on the road to premiership, much delayed by the 'money politics' of the Tanaka Government and the power politics of the more liberal Miki Government, Mr Takeo Fukuda, at the age of 71, was at last elected the eighth President of the LDP on 13 December and, at a special session of the Diet on 24 December 1976, he became Prime Minister of Japan. His predecessor and rival, Mr Takeo Miki, resigned as party leader and Prime Minister, accepting responsibility for the party's setback. The new Prime Minister is an outstanding economist, who joined the Ministry of Finance after graduating from Tokyo University in 1929. In 1952 he was elected a member of the House of

Representatives as an Independent, later joining the LDP. As Finance Minister under Sato, he established a reputation, notably in 1965, as an astute economic policy-maker. He became Foreign Minister in 1971, lost an election for party leadership to Mr Kakuei Tanaka but accepted the post of Finance Minister in the Tanaka Cabinet. He has been Secretary-General of the LDP and his last ministerial post was Deputy Prime Minister and Director-General of Japan's Economic Planning Agency in the Miki Government from 1974 until his resignation last November.

In his recent election campaign, Mr Fukuda promised to introduce reforms designed to eliminate factional power struggles and to remodel the LDP as a homogeneous political unit. To reform Japanese party politics has been his ambition ever since he was first elected to the Diet. At the time of the Yoshida Government, he supported, as an Independent, a movement critical of the dictatorial power of that government and endeavouring to form a new party led by Mr Nobusuke Kishi. For this, he was later rewarded by being given the post of Chairman of the Policy Affairs Research Council in the Kishi Government. He stood up similarly against the Ikeda Government, criticizing Ikeda's economic policy of high growth and continuing his attack on policies which were too much orientated towards factional interests until he was dismissed from his Cabinet post. In 1974, when the scandals about the then Prime Minister Tanaka's business affairs erupted, Mr Fukuda resigned abruptly from the Cabinet in disgust. His final act of rebellion was his resignation from his post of Deputy Prime Minister and Director-General of Japan's Economic Planning Agency shortly before the recent election in order to join a parliamentary group seeking to evict the Prime Minister, Mr Miki, condemning him for weak leadership and bad handling of parliamentary affairs through his obsessive interest in the Lockheed bribery scandal.

During his long political career, Mr Fukuda has been a lone fighter for political reform, aiming at uniting the faction-riven Liberal Democratic Party and at the same time cleaning up politics. He has been more successful in implementing economic and financial policies, particularly in 1974-5 when bringing down rampant inflation from 25 per cent to 9 per cent and correcting a large deficit in the balance of payments caused by the oil crisis of 1973. However, he is now constrained by his party's loss of seats in the election, which makes it necessary to accept support from right-wing conservative Independents in order to maintain a working majority. For this reason, no drastic changes can be expected during his term of office, and his ideas for reform will have to wait. There will be a continuation of traditional rightist policies, based on the principle of free enterprise, but with a very slow inclination towards the kind of radical reforms demanded by the New Liberal Club. Mr Fukuda's task will be eased considerably if he manages to secure a majority in the elections for the House of Councillors (Upper House) next July.

The Japanese economy is likely to continue its slow recovery. Personal consumption is expected to show a steady increase, providing a brighter outlook for foreign exporters to the Japanese market. On a medium-term basis, the Fukuda Government will aim at a moderate annual economic growth of around 6 to 7 per cent and carry out a policy of balancing price stability and anti-recession measures. Though Mr Fukuda himself is in principle against cutting taxes for a speedy economic recovery, he was forced to modify this stand for the election. He will stimulate the economy but with caution against the recurrence of inflation. He opposes a policy of deficit financing and proposes tax reductions of only \$1,000 m. An increase in public works expenditure of about 19 per cent is envisaged in a draft budget.

As far as trade is concerned, Japan's preference for a free trade system based on market price mechanisms and strong competition, may cause her to resist movement towards any new era of tariffs and restraints on her trade practices. The Keidanren, Japan's Federation of Economic Organizations, has great confidence in Mr Fukuda and it can be expected that a smoothly working team of businessmen, bureaucrats and politicians will help the new Government to carry out its intentions in economic and trade matters.

On foreign policy issues, Japan will continue her attitude of non-involvement unless her national interests are directly at stake (for instance, she has been careful to appease the Arabs in order to secure their oil but is unwilling to take part in the economic development plan for Rhodesia proposed by the United States). Yet as she is gradually emerging in international diplomacy as an economic power, Fukuda's Government may take a more independent line (*Jishuteki-gaiko*) in international fora, particularly through the United Nations. The Japanese will attach greater importance to a trilateral partnership with Europe and America. They will work alongside the US on the thorny problem of promoting a North-South dialogue in the Korean Peninsula, at the same time strengthening their defences in the area against the day of an American withdrawal. With regard to China, Mr Fukuda will try to conclude the Treaty of Peace and Friendship by solving the differences on the hegemony clause through a cool pragmatic approach. As far as the Soviet Union is concerned, Japan's interest is to continue trade and business relations while marking time on the question of the disputed northern islands which impedes the conclusion of a treaty. Whatever the outstanding issues with Peking and Moscow, Japan's diplomacy is influenced by the constant need to balance their claims in the light of the Sino-Soviet dispute. In addition, Mr Fukuda may be forced to make some concessions to the Taiwan lobby to secure right-wing independent support in the Diet. In South-East Asia, Japan will seize opportunities for a more pronounced regional role when practicable.

To what extent this particular election in Japanese post-war history will be a turning-point in the reform of political affairs, and to what changes in Japan's economic policies and pattern of trade it will lead, remains to be seen.

IKUKO TSUKAHARA WILLIAMS

The SS-20 and the Eurostrategic balance

RICHARD BURT

The development of a new Soviet intermediate-range ballistic missile, enhancing Russia's power of nuclear attack against targets in Western Europe, has disturbing implications for both East-West nuclear arms control and the stability of the Western Alliance.

IN a period characterized by political uncertainty and rapidly changing military technology, it is not unusual for governments to place great significance on the weapons deployment decisions of potential adversaries. Thus, growing scepticism in the West over the motives of the Soviet Union in what used to be called the détente process has naturally coincided with indications that Moscow and its allies are engaged in a fairly extensive programme of modernizing and, in some cases, expanding Warsaw Pact military capabilities. These improvements range from the deployment of new tanks in Eastern Europe to the development of a new family of intercontinental-range ballistic missiles (ICBM). But, one facet of this modernization programme has curiously managed to escape close scrutiny in the West. This is the Soviet Union's large-scale effort to bolster existing capabilities for delivering nuclear weapons against targets on its periphery, especially in Western Europe. During 1975-6, Russia deployed a new generation of nuclear-capable deep strike aircraft in Eastern Europe as well as a new swing-wing, medium bomber, the *Backfire*. However, the most important (and intriguing) component of this buildup of Soviet regional nuclear capabilities is a new intermediate-range ballistic missile (IRBM), known by Nato as the SS-20. The missile, which will probably begin to replace older systems this year in Western regions of the Soviet Union, has only recently stimulated comment in the West.¹ Yet its significance for the East-West nuclear relationship, super-power arms-control efforts and the continued stability of the Western Alliance cannot be underestimated.

¹ While references to the existence of the SS-20 programme first emerged in official Western statements during 1975, the missile did not receive widespread attention from the press until September 1976, when Fred Ikle, then the Director of US Arms Control and Disarmament Agency, argued in a speech that its deployment was 'unwarranted' and that it could jeopardize East-West arms control efforts. See *The New York Times*, 1 September 1976.

The author is Assistant Director at the International Institute for Strategic Studies. His broader survey of contemporary arms control problems appears in the January issue of *International Affairs*.

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Eurostrategic forces

To appreciate the importance of the SS-20 decision, it is first necessary to distinguish between different categories of delivery systems within the context of the overall East-West nuclear balance. Based on their range and the size of their payloads, nuclear delivery systems have traditionally been divided into two categories: those possessing shorter ranges and smaller warheads for use on or near the battlefield have been termed 'tactical' nuclear weapons, while longer-range, more destructive systems targeted against important centres in the homeland of the adversary have borne the familiar designation of 'strategic' weapons. The boundary between these two classes of nuclear weapons has never been precisely defined and, in fact, a new generation of multi-role missile systems threatens to obliterate it altogether.² But if the distinction between 'strategic' and 'tactical' weapons is becoming less meaningful, another distinction is taking on a new importance. This is the distinction between super-power and regional strategic weapons. The former possess inter-continental ranges and are based in the homeland of the super-powers. These include ICBM, long-range bombers and, for all practical purposes, submarine-launched ballistic missiles (SLBM). Regional strategic weapons, on the other hand, do not possess the range for intercontinental strikes and these systems are therefore either deployed in, or targeted against, Western Europe. This category of 'Eurostrategic' nuclear forces is composed of a far more disparate group of systems: Nato and Warsaw Pact nuclear-capable strike aircraft, Soviet medium-range bombers, Soviet and French IRBM and the British and French submarine-borne missile systems.³ These weapons receive little of the attention accorded to super-power strategic forces and despite the fact that an IRBM attack on London or Paris would be difficult to distinguish from an ICBM attack on New York, the general tendency is to lump them together with 'tactical' nuclear weapons.⁴

It is difficult, then to compare Eastern and Western regional capabilities and, for this reason, it is also dangerous to attempt to determine the precise character of the Eurostrategic balance. In quantitative terms, however, it is hard to resist the conclusion that the Soviet Union presently enjoys a clear advantage in Eurostrategic capabilities. As shown in the table, the Soviet Union presently deploys over 2,900 systems capable of, and perhaps dedicated to, undertaking strategic missions

² See Richard Burt, 'The Cruise Missile and Arms Control', *Survival*, January/February 1976

³ The Eurostrategic category does not include shorter-range, nuclear systems for use in the European theatre in tactical roles, such as nuclear artillery or surface-to-surface tactical missiles like the US *Lance*, the French *Pluton* or the Soviet *SCUD*.

⁴ Nuclear-capable aircraft especially present definitional problems because, while many possess the capability to carry out strategic missions in Europe or the Soviet Union, most are assigned tactical roles.

against Western Europe. Nato (including France), on the other hand, appears to possess far fewer Eurostrategic weapons; that is, delivery vehicles based in Europe that could deliver nuclear strikes against the Soviet Union. This comparison is given added significance by the fact that the majority of Nato's strategic-capable, regional delivery systems are strike aircraft, in most cases assigned tactical missions. Many of the Soviet combat aircraft are also probably deployed for tactical use (or in the case of medium bombers, for maritime missions), but the Soviet force of approximately 600 IRBM can only be understood to possess strategic utility and, as such, their deployment constitutes one of the most striking asymmetries in the East-West military balance.

Table 1
The Eurostrategic Balance, 1977

	<i>Warsaw Pact</i>	<i>Nato</i>
Intermediate-Range Ballistic Missiles	600	146*
Medium-Range Bombers†	600	60
Combat Aircraft‡	1,000	400
Naval Aircraft	400§	200¶
Nuclear Armed Cruise Missiles	300	0

*These include 64 French SLBM (4 submarines) and 64 British SLBM (4 submarines) as well as the 18 land-based French IRBM. The ten American Polaris submarines assigned to Nato are not included here.

†This category includes *Badger*, *Blinder* and *Backfire* bombers for the Warsaw Pact and FB-111 aircraft for Nato.

‡This only includes US and Soviet nuclear-capable aircraft based in Central Europe. Both sides could substantially augment these numbers with allied aircraft and aircraft now deployed in the United States or the Soviet Union.

§These are land-based aircraft.

¶This assumes 5 American carriers deployed at any given time.

||Soviet submarine-borne cruise missiles (the SS-N-3) could also be used against targets in the United States.

Sources Estimates derived from *The Military Balance 1976-1977* (London: IISS) and *Arms Control Report* (US Arms Control and Disarmament Agency), July 1976

It is the existence of this asymmetry that makes the Soviet SS-20 programme seem so peculiar. Already possessing a substantial edge in IRBM capabilities (and Eurostrategic forces generally), why has the Soviet Union apparently chosen to replace its existing IRBM force with what appears to be a much more destructive missile? There are several possible explanations:

First, the SS-20 may simply represent the answer to a number of technical problems that plague the existing Soviet IRBM. The two IRBM that presently make up the force—the SS-4 and SS-5—are both over 15 years old and reflect Soviet missile technology of an even earlier period. Both are obsolescent by Western standards: they possess unwieldy, liquid-fuel propulsion systems, inaccurate guidance devices and

require extensive logistical support. Thus, their replacement could probably be justified on grounds of cost-effectiveness alone.

Second, there is also a strong military incentive attached to the replacement of the SS-4/5 force. While the Soviet ICBM force (most of which was procured over the last decade) is housed in hardened, underground silos, most of the existing IRBM are deployed above ground, in 'soft' sites, and they are thus vulnerable to pre-emptive attack by the West. The SS-20, on the other hand, is a solid-fuel missile which can be easily transported and launched; deployed aboard a mobile launcher, it will greatly enhance the ability of Soviet Eurostrategic forces to survive attack from the West. The missile, moreover, represents a qualitative jump in destructive capability. Fitted with multiple, independently targeted re-entry vehicles (MIRV) and possessing improved accuracy, the SS-20 will not only make existing targets in Western Europe more vulnerable to attack; a larger number of smaller, more accurate warheads will enable the Soviet Union to place a larger range of Western European assets at risk and with greater discrimination.

Third, there is also an organizational explanation for the replacement decision. Although the SS-20 is a substantial improvement over earlier IRBM designs, it does not represent a dramatic departure from the Soviet missile programme as a whole. In fact, the SS-20 seems to reflect a certain amount of 'bureaucratic opportunism' on the part of the Soviet military. The missile is a direct spin-off from ICBM research and is actually thought to be a two-stage version of a land-mobile ICBM, the SS-16, under development since the early 1970s. Thus, there is good reason to believe that the SS-20 merely represents the determination of a powerful military service—the Strategic Rocket Corps—to get maximum mileage (and budget money) from new weapons designs.

Taken together, these three explanations provide a convincing rationale for the SS-20 replacement decision. But they offer little insight into the wider questions of why Russia originally sought to achieve a position of Eurostrategic dominance with the deployment of IRBM and why, with the deployment of the far more lethal SS-20, she seems bent on enhancing it. The answers to these questions do not lie with technical or bureaucratic considerations, but with overriding Soviet strategic priorities.

Hostage Europe?

The Soviet Union's bid in the early 1960s to achieve a position of regional nuclear hegemony in Europe came as a surprise to many in the West, particularly in the United States. Intelligence projections of Soviet missile deployment during the Eisenhower-Kennedy era were based on the belief that, like the United States, the Soviet Union's primary strategic goal was to achieve a credible retaliatory capability

against the opposing super-power. Thus, it was widely assumed that the Soviet Union would not invest heavily in IRBM technology but, following the US pattern, would move quickly to deploy a new generation of intercontinental-range rockets. To the chagrin of some and the relief of others, the fabled US-Soviet 'missile gap', of course, never appeared. Instead, the Soviet leadership seemed more preoccupied with the strategic equation in Europe and with the rapid deployment of the SS-4/5 force between 1959-63; it was in this area that a real 'missile gap' did develop.

Why the Soviet Union chose to concentrate on Eurostrategic, rather than super-power strategic forces during this period is unclear. In part, the answer may be that IRBM were less technically demanding than longer-range missiles. Perhaps the Soviet Union simply lacked the skills to compete with the United States in ICBM procurement in the early 1960s (a situation that dramatically changed in the latter half of the decade). But other considerations may have also been at work. As some writers have suggested, the early Soviet emphasis on regional nuclear forces could have reflected a long-standing desire to establish a privileged nuclear relationship with Western Europe where Soviet Eurostrategic superiority would keep Western Europe politically and militarily 'hostage', while in time of war the Soviet Union would remain a sanctuary free from European nuclear retaliation.⁵ The rapid expansion of US strategic power during the mid-1960s and the slower but steady growth of British and French strategic capabilities undermined the political and military impact of Soviet IRBM deployment and thus shattered any hope that the Soviet leadership might have possessed of becoming a 'sanctuary' from nuclear attack. At the same time, the deployment by France and Britain of relatively invulnerable sea-based missile forces frustrated the Soviet objective of making a nuclear 'hostage' out of Western Europe. By the mid-1960s, the East-West nuclear relationship had evolved into a complex series of balances, which gave the Soviet Union an edge in regional nuclear forces, but provided the United States with superiority in intercontinental-range systems and Western Europe with a limited degree of nuclear autonomy.

In the following decade, the situation fundamentally changed. The most significant development was the Soviet Union's attainment of 'parity' in intercontinental-range strategic forces with the United States in the early 1970s. While this action reflected a general Soviet desire to match US capabilities, in particular, it served to diminish the capacity of US intercontinental strategic forces to offset Soviet Eurostrategic systems. Thus, super-power strategic equality provided the Soviet Union

⁵ See Johan Jorgen Holst's remarks in 'SALT in the Process of East-West Relations in Europe', NUPI/N-90 (Oslo: Norsk Utenrikspolitisk-Institutt), April 1975

with the opportunity of exploiting its advantage in regional nuclear capabilities in relations with Western Europe. With the decision to deploy the SS-20, it now seems to be seizing this opportunity—a course of action that is given added significance by the slow growth and, in Britain's case, the uncertain future of Western European nuclear capabilities.

SALT and the Alliance

Ironically, arms control efforts have only reinforced the incentives for Soviet IRBM modernization. At the US-Soviet Strategic Arms Limitation Talks (SALT), negotiators have only sought to limit the deployment of systems with direct strategic relevance to the two super-powers. In the 1972 SALT Interim Agreement on offensive missiles, for example, both sides agreed to limit land-based missiles with ranges exceeding 5,500 km (ICBM) and ballistic missiles deployed aboard 'modern' (nuclear-powered) submarines. For all practical purposes, this left Eurostrategic forces out of the 1972 SALT accords altogether. The Soviet Union did attempt in the early rounds of the talks to include US European-based aircraft in the Interim Agreement, but this was firmly resisted by US negotiators who maintained that these weapons were not relevant to the super-power strategic relationship, but were assigned missions in and around the European theatre.

More recently, the task of keeping Eurostrategic weapons from intruding into the super-power strategic sphere at SALT has become immeasurably more difficult. Despite an understanding reached in 1974 at the US-Soviet summit at Vladivostok* to include super-power strategic forces (ICBM, SLBM and intercontinental-range bombers) under an aggregate ceiling for delivery vehicles, the two governments have conspicuously failed to iron out the terms of a ten-year accord to replace the Interim Agreement. Several technical issues have impeded progress at the talks, but the primary problem is more fundamental: both sides are reluctant to limit new weapons that might possess military value outside the super-power strategic relationship. The Soviet Union, for instance, has resisted US efforts to place the *Backfire* under SALT controls because the bomber is said to have been designed for regional, rather than intercontinental, nuclear missions. As a Eurostrategic weapon, Soviet negotiators insist that the bomber has no business being discussed in the context of the super-power strategic balance. For its part, the US Government has resisted Soviet efforts to limit a new family of revolutionary new cruise missiles whose deployment, like the *Backfire*, will have an impact on both the regional and the super-power nuclear balance. The deployment of the SS-20 will further complicate the task of

* See Richard Burt, 'SALT after Vladivostok', *The World Today*, February 1975.

isolating super-power and Eurostrategic military concerns. The missile has reportedly been tested with different warhead configurations which affect its range characteristics. Fitted with MIRV, the missile does not appear to possess the necessary range to threaten targets in the United States and thus, like the older IRBM it will replace, it can be considered a regional weapon. But the SS-20 has apparently also been tested with a single, lightweight warhead at ranges exceeding 7,000 km.⁷ Deployed in northern latitudes of the Soviet Union, this version would possess all the attributes of a super-power strategic weapon.⁸

Yet from the perspective of Western Europe, anxiety at SALT over whether the SS-20 (like the *Backfire*) is a 'strategic' weapon in the super-power context seems strangely irrelevant. For whether it can or cannot threaten targets in the United States does not alter the fact that its deployment will further distort the already lop-sided Eurostrategic balance. This has disturbing implications for both the future East-West regional nuclear arms control and the stability of the Western Alliance. For a start, if Soviet modernization continues unabated, Western Europeans could put pressure on the United States to take the Eurostrategic balance into account in framing negotiating positions at SALT. This would require negotiators to insist that weapons like the *Backfire* and the SS-20 be limited in a new SALT accord, a position that is likely to find little favour in a new Administration in Washington intent on consolidating its relations with the Soviet leadership. At best, an attempt by the Carter Administration to press the Soviet Union on the inclusion of the SS-20 in a new SALT agreement would delay negotiations as well as souring US-Soviet relations generally. At worst, it could lead to a breakdown in negotiations altogether. The worsening of the Eurostrategic balance thus confronts the United States with a painful dilemma: on the one hand, it can give priority to reaching agreement with its super-power partner at SALT and, by ignoring the IRBM threat to Europe, accept the strains this might place on Alliance cohesion. On the other hand, it can take pains to minimize opportunities for Alliance disruption in its negotiations with the Soviet Union, but at the expense of a new SALT agreement.

If the United States is unwilling, or unable, to use SALT as a mechanism for limiting Soviet Eurostrategic programmes, then the United States could feel pressure from allies to directly respond to developments like the SS-20 by augmenting its own Eurostrategic capabilities. In fact, this pressure already exists: the transfer of 84 nuclear-capable F-111 aircraft from the United States to Britain in September was clearly designed

⁷ See *Aviation Week and Space Technology*, 31 May 1976, p. 12

⁸ The fact that the SS-20 is comprised of the two upper stages of an ICBM now under development also raises the possibility that, in time of crisis, even the MIRV version of the missile could be converted to ICBM status by adding an additional rocket stage.

to demonstrate US concern over the maintenance of regional nuclear deterrence in Europe. But there are limits to the extent that US deployments can offset Soviet regional nuclear power. The Soviet Union has already attempted to introduce US European-based aircraft into the SALT negotiations and a dramatic increase in US airpower in Europe would surely prompt Moscow to resurrect this demand. More importantly, the most interesting military option available to the West for countering the expansion of Soviet Eurostrategic capabilities is already under discussion at SALT—the long-range, precision-guided cruise missile. In deciding whether to exploit cruise missile technology in this manner, the United States must therefore once again choose between placing priority on strengthening Alliance ties and quickly obtaining a new SALT agreement.

But the choice confronting the United States is not as simple as it first appears. In the short term, the Europeans will remain dependent on the US nuclear protection no matter how distorted the Eurostrategic balance becomes, so that the United States could probably afford to down-peddle developments like the Soviet SS-20 in order to reach agreement at SALT. However, in the longer term, Western Europe does not have to solely depend on US goodwill in order to cope with the Soviet Eurostrategic buildup. Like Soviet IRBM, the French and British nuclear forces are also conspicuously absent from discussion at SALT and there is nothing to prevent Britain and France from responding themselves to the growth of Soviet regional nuclear capabilities. Thus, the Soviet deployment of the SS-20, coupled with tacit decisions at SALT to either ignore it or to withhold the means of responding to it, could ultimately spur efforts on the part of Western Europe to achieve larger and more independent strategic capabilities. The consequences of this for both Alliance cohesion and super-power arms control would be unsettling, to say the least.

A new framework

Yet there seems little way of forestalling the disruption that could result from the widespread Soviet deployment of a new IRBM. Moreover, the SS-20 is only one of several categories of weapons that have been effectively excluded from East-West arms control discussions. As the categories of weapons grow in size and military importance, it will become increasingly more difficult to ignore their presence. But the problems of systematically dealing with them at SALT is enormous; as a bilateral channel of communication between the super-powers, SALT is inherently unsuited to dealing with the multilateral, Alliance-wide consequences of controlling the deployment of Eurostrategic forces. So too are the Mutual and Balanced Force Reduction (MBFR) talks now under way in Vienna; although multilateral in character, the MBFR

boundaries are too narrow to encompass the whole range of Eurostrategic forces; stopping short of Soviet territory, the MBFR 'reduction area' only highlights the anomalous position of Soviet IRBM in East-West arms control.

Does this mean that a new Eurostrategic arms control framework is necessary? In theory, this is an interesting proposal. A Nato-Warsaw Pact forum for the limitation of regional nuclear arms would not only provide the Alliance, for the first time, with a mechanism for limiting Soviet Eurostrategic power, but it would also minimize the intrusion of Eurostrategic issues into the super-power strategic dialogue. But, in practice, a forum for Eurostrategic arms control seems neither politically feasible nor militarily realistic. Aside from the suspicion with which some Western nations, particularly France, would view such talks, there are few incentives for the Soviet Union to take the concept seriously: already possessing a regional nuclear advantage, Moscow would only be interested in formalizing this position in agreements that would be unacceptable to the West. In the final analysis, then, the solution to the SS-20 problem is unlikely to come from restructuring existing institutions of East-West arms control, despite their ineffectiveness in coping with Eurostrategic forces. The real answer must stem from the willingness of Western governments to absorb the meaning of the SS-20 and their ability to convince the Soviet Union of its significance. If Soviet Russia comes to grasp that her current efforts to achieve a position of nuclear hegemony in Europe are not only illegitimate, but, more importantly, could jeopardize her relationship with the United States at SALT as well as trigger off new Western European nuclear programmes, she too could come to recognize the full implications of the SS-20 decision.

Oil and the North-South dialogue

LOUIS TURNER

Recent developments have weakened the linkage between the pricing policies of the oil producers and the issue of the developed countries' concessions to the Third World.

OPEC's disarray at its December 1976 meeting in Qatar was a significant setback to the hopes of the oil-producing world. It raised the spectre (certainly prematurely) of the collapse of the Organization of Petroleum Exporting Countries and suggested to the industrialized world that the oil producers were no longer willing to link their actions on oil prices with its concessions towards the Third World as a whole. In retrospect, we may well see Saudi Arabia's stand as the successful outcome of one of Dr Kissinger's final diplomatic initiatives—or even as the first clear indication of how the Carter Administration will handle one of the key areas of US foreign policy.

Prior to the spring of 1975, oil was effectively linked solely to the Arab-Israeli issue. However, the Arab world's dramatic use of the oil weapon in the autumn of 1973 and the subsequent ability of the oil producers as a whole to capitalize on the resultant disruption of oil markets coincided with, and contributed to, a general rise in Third World militancy. Over the next two years, Algeria was at the zenith of her influence, combining her membership of Opec with a strenuous and effective advocacy of the wider causes of the poorer nations in general. By the spring of 1975, the Algerians had convinced the more conservative members of Opec that a dialogue with the industrialized world must link energy matters to other Third World problems. By the end of that year, the industrialized world had accepted that this linkage of issues was inevitable and thus the Conference on International Economic Co-operation (CIEC) could start.¹

Although some of the members of the industrialized world entered the CIEC dialogue with considerable reservations, from mid-1975, when the Americans became convinced that neither was Opec going to collapse nor

¹ See Louis Turner, 'The North-South Dialogue', *The World Today*, March 1976, for further details concerning the diplomacy leading to the CIEC's creation.

Louis Turner is a Research Fellow at Chatham House, author of *Multinational Companies and the Third World* (London: Allen Lane, 1974) and *Oil Companies and the International System: a Study in Transnational Relations*, forthcoming. This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik GmbH, Bonn.

the US regain energy self-sufficiency in the foreseeable future, there was general acceptance that some form of dialogue on energy matters was desirable. Certainly there was a danger of the oil producers insisting that the price of oil be indexed against inflation, but this was a demand which seemed containable. On the other hand, the dialogue might allow the industrialized world to gain by a combination of using reasoned economic arguments to lower the ambitions of the oil producers and of splitting the alliance of Opec and the energy-deficient developing countries (EDDCs) by convincing the latter that they had as much to lose from high oil prices as the industrialized world.

On all the other issue areas (raw materials, development and finance) there was considerably more scepticism. The Americans, though conceding that the establishment of an energy commission made some sense, were extremely reluctant converts to the idea that the CIEC should be broadened in scope. Their position had only softened through the summer of 1975 as the State Department evaluated the consequences for wider US foreign policy goals (such as the search for a Middle Eastern settlement) of being locked into a position of intransigent opposition to all demands coming from the Third World bloc. By late 1975, the US was willing to override its final doubts, knowing that the rest of the industrialized world (with the exception of France) was now safely corralled within the International Energy Agency, and committed to an emergency oil allocation scheme which could be used should the CIEC dialogue get out of hand.

Although the Europeans had consistently been less worried than the US about the principle of entering such a dialogue, they gave no impression of having any clearer idea of what the CIEC might actually achieve. After all, the basic objections remained: the United Nations Conference on Trade and Development (Unctad) was an established forum for debating commodity and development issues, while action by the International Monetary Fund (IMF) or even ad hoc, country-by-country negotiations were probably better suited for treating the problems of Third World indebtedness. Therefore, entering into a dialogue on such issues was for the non-Americans too mainly a time-gaining exercise, with the unstated principle that 'jaw-jaw is better than war-war'. The industrialized world could make some gains in the energy field. The key question was whether such benefits would have to be paid for by concessions in non-energy areas.

Conference stalemate

In practice, it was clear as early as April 1976, when the less developed countries (LDCs) threatened to walk out, that the odds were against the CIEC being brought to a positive conclusion. Both sides found it easy enough to present position papers to their opponents, but it was con-

siderably more difficult to see how the major industrialized powers could relax their stand on basic Third World demands such as generalized debt relief or the stabilization of commodity export earnings.² Key dates came and went without significant movement on either side. Unctad's Nairobi conference in May 1976 saw no substantive concessions from the industrialized group, and Opec's ministerial meeting at the end of the same month maintained the price of the Arabian Light 'Marker' crude, instead of raising it in protest at the lack of political movement by the main importing countries.

The second half of the year should have seen CIEC commissions drawing up joint work programmes which would generate a series of proposals for reconciliation at a final ministerial meeting to be held in December, at which time, the Third World hoped, the industrialized world would be willing to make some substantial concessions. For a while, it looked as though the latter might indeed be willing to give ground. Admittedly, there was minimal progress in the various commissions, but the industrialized countries became increasingly nervous about what Opec (which was arranging to hold its December ministerial meeting immediately after the supposedly final CIEC meeting) might do to the price of oil should the CIEC break up in disarray. Throughout the latter part of the year, the price of oil rose on spot markets in response to increased purchases by oil importers seeking to anticipate an Opec price rise of at least 10 per cent. Although the Saudis were consistently on the side of moderation, Iraq was calling for an increase of at least 25 per cent and Iran for at least 15 per cent. Few commentators felt that the increase could be kept within single figures. By November, there was clear evidence that some parts of the industrialized camp were willing to make concessions to stave off an excessive oil price increase. The Germans, who had consistently taken a hard line on such issues, let it be known that they might contribute to Unctad's common commodity fund, should Opec moderate its demands.³ At the European Community summit in late November, the Commission was proposing the dispatch of a letter to Unctad's Secretary-General supporting his proposals for a common fund; it was also suggesting that the EC should back a worldwide version of its Stabex scheme for compensating LDCs for their losses when commodity prices fall.⁴

However, at this late stage, a confrontation was avoided. The Germans swung back into their more traditional hard-line role, and the EC summit failed to agree on any common approach to Third World issues. Opec's

² For an analysis of the EC's relationship with the CIEC and of the workings of the four commissions, see the forthcoming report of the *Institut für Europäische Politik* on Europe and the North-South dialogue which will be published in English as an *Atlantic Paper* by the Atlantic Institute in Paris and in German in the series *Europäische-Atlantische Diskussionsbeiträge* by Europa Union Verlag, Bonn.

³ *The Sunday Times*, 7 November 1976.

⁴ *The Economist*, 4 December 1976, pp. 62, 116.

members simultaneously began to dissociate themselves from any automatic linkage of oil price movements to the fate of the CIEC. Then, the co-chairmen of the conference (Canada's Alan MacEachen and Venezuela's Dr Manuel Perez Guerrero) agreed to postpone the final ministerial meeting to some time in 1977. Finally, and most spectacularly, the Saudis dug in their heels in Qatar and Opec failed to come to a unanimous agreement about the scale of price increases. The Saudis and the United Arab Emirates (UAE) were only willing to raise the price of their oil by 5 per cent for the whole of 1977, while the other 11 members announced they would raise their prices by 10 per cent on 1 January 1977 and by a further 5 per cent on 1 July. World oil markets entered the new year in a state of considerable confusion. The fact that the CIEC deliberations were extended into 1977 without too much rancour, with no guarantees of eventual concessions from the industrialized world, was startling enough, without the addition of the dramatic events at the Opec meeting, which went well beyond what most middle-of-the-road commentators in the industrialized world had considered a realistic possibility. What had happened?

US offensive

The key to these events lies partly with the growing diplomatic self-confidence of Saudi Arabia, but even more with a toughening of US policy which became more and more apparent in the months after the summer. US policy-makers, who have always tended to be hawkish on Opec matters, seem to have become increasingly convinced that the world economy could not take a major increase in the oil price at the end of the year. The US recovery appeared to falter over the summer and, as the autumn progressed, forecasters in bodies like the OECD had to lower their estimates of likely growth in the world economy. Studies published under the auspices of organizations like the Brookings Institution began to show the economic damage done by past rises in oil prices. Simultaneously, the problem of Third World indebtedness increasingly scared the international banks, perhaps hardening some attitudes towards the CIEC, seen as a body in which the industrialized world might be lured into making apparently rash concessions. The views of Walter Levy were much cited, arguing that the world faced an oil supply shortage in mid-1977 unless the Saudis were willing to relax their self-imposed production limit of 8.5 million barrels a day.⁵

There may have been some disingenuousness about all this: the present writer was informed that public bodies in the US (the Congressional Budget Office was named) were discouraged from publicizing views

⁵ See *Business Week*, 20 December 1976, pp. 44-50, for a round-up of the economic pessimists, but also Wassily Leontief's letter in the same publication on 10 January 1977 for less pessimistic (though less publicized) viewpoints.

which ran counter to the general picture of gloom. However, the signs are that the average American policy-maker did come to believe that the recovery of the world economy would be jeopardized should Opec act over-vigorously in December. There was even talk of a surge in Europe of support for Communism or, even, fascism, should the oil producers not show restraint.⁶

The result was a diplomatic campaign by the US to convince its industrial partners that the dangers were real and Opec that large price increases could not be tolerated. According to a State Department spokesman, a low-level educational campaign aimed at the oil producers had already existed for some months before being stepped up in September in intensive talks with Saudi Arabia and other producers, while simultaneous discussions were quietly held with Japan and the European countries.⁷ The full extent of this American campaign is obviously not all on the public record but, in addition to the intensive bilateral talks mentioned above, it certainly involved the presentation in mid-November of diplomatic Notes calling for restraint to Opec members such as the UAE and Kuwait. In addition, Mr Gerald Parsky, Assistant Secretary to the US Treasury, toured the Gulf area in the latter part of November, as did Mr James Akins, former US Ambassador to Saudi Arabia, but now unofficially representing President-elect Carter. Both Parsky and Akins openly warned about the potential dangers which could be caused by Opec.⁸

The extent of Carter's diplomatic involvement is not fully clear, but both he and his nominated Secretary of State, Cyrus Vance, liaised with the Ford Administration. Vance met Saudi officials some time before the Opec meeting and warned them on Carter's behalf against a price increase.⁹ Afterwards, Carter denied that he had offered them any concession on the Arab-Israeli issue in exchange. The very fact that he was not yet President was used as a powerful argument by those in the industrialized camp who were calling for moderation. The Saudis were particularly sensitive to the danger of alienating a President-elect with whom they would have to deal regarding any Middle Eastern settlement in the near future.¹⁰ The Ford Administration was also helped by the fact that the Saudis knew that Carter was a critic of the size of US arms sales to them. It appears to have delicately stressed the Saudi and Iranian dependence on such sales, while implying that too high an oil price rise

⁶ *Business Week*, 20 December 1976, p. 48.

⁷ *International Herald Tribune*, 13-14 November 1976.

⁸ *Middle East Economic Survey*, 22 November, 29 November and 6 December 1976.

⁹ *The Guardian*, 18 December 1976.

¹⁰ One should perhaps note the rumour that the Saudis may have offered the US a ten-year guarantee of oil supplies in return for an active American role in bringing about a lasting Middle Eastern settlement. *Business Week*, 20 December 1976.

might force Dr Kissinger to re-examine his conviction that such sales should not be used to pressure the recipients.¹¹

This wide-ranging and well-orchestrated diplomatic offensive paid off, with the leaders of other industrialized countries taking every opportunity open to them to press moderation on any available minister from an oil-producing country (the British, for instance, were visited in November by both Perez Guerrero and Sheikh Yamani). This cumulative pressure seems to have been responsible for initial negotiating demands of the wilder Opec members (Libya and Iraq) being 'talked down' from around 35 per cent in the late summer to around 25 per cent by the time the Opec meeting was finally held. A similar lowering of ambitions could be seen in the case of more influential members such as Iran and Venezuela.¹² The fact that the more militant oil producers had already scaled down their initial demands before the start of the Opec meeting could only make it easier for Saudi Arabia to take the strong stand that she did.

Separating CIEC from oil prices

But if the US-orchestrated offensive was successful in defusing the Opec meeting, it was so only because the US had consciously decided that the fate of the CIEC should be uncoupled from Opec's deliberations. Here the US had not only to persuade Opec that it should ignore the CIEC's apparent failure, but also to convince the other industrialized countries that they should call the Third World's bluff. The arguments the US used were made explicit in a cable of 22 November from the State Department to the US delegation at the CIEC which was leaked to the Dutch press shortly before the Opec meeting in December. This argued that the connexion made by some Opec officials between CIEC and Opec was more rhetorical than real, and that it was unlikely that the Opec countries actually viewed the CIEC as a major factor in a decision about oil prices. It was by no means inevitable, the cable argued, that Opec would raise prices in December, but there was a danger for the industrialized world in acting as though the CIEC and Opec were linked. It would be an additional expense for the rich countries to make a series of costly concessions on resource transfers at the CIEC if, firstly, the price of oil would be still set independently of events there, and if, secondly, Opec would be given the propaganda advantage of apparently negotiating these concessions by the industrialized world to the Third World. The US was convinced, the cable continued, that there was no negotiable package in

¹¹ *International Herald Tribune*, 12 November 1976. King Khalid's interview with *Newsweek*, 22 November 1976, shows him aware of the issue and of Carter's potential importance.

¹² For the final demands of the various delegations, see the supplement to *Middle East Economic Survey*, 20 December 1976. For a comprehensive round-up of pre-conference statements, see that journal's 29 November 1976 issue.

the CIEC which would actually be enough to get Opec to refrain from substantial oil price increases over several years.¹³

Other authors will have to show exactly where this cable fits into the wider pattern of US diplomacy with its industrialized partners. Quite clearly, though, its timing was such as to suggest that US pressure was being maintained in the week leading up to the EC summit of late November, at which the Community position towards the CIEC was to be thrashed out. Such pressure would partially explain the hardening of European attitudes towards the CIEC, after the period earlier in the month when the West Germans were flirting with the idea of making concessions to the Third World bloc. On the other hand, from the time of Carter's election to the US Presidency earlier in November, it was increasingly clear that the outgoing Ford Administration would be in no position in December to do any serious negotiating on issues as sensitive as those covered by the CIEC. Hence, by the time of the EC summit, it seemed increasingly likely that the Third World could be convinced of the pointlessness of holding the final CIEC ministerial meeting in December, and the pressure relaxed on the EC to agree on final bargaining positions for such a meeting. As it happened, the cable's analysis of Opec's reactions was correct. When put to the test in early December, Opec's members forgot about resisting the postponement of the CIEC meeting and concentrated on trying to reconcile the different demands in their midst.

Saudi Arabia's role

This successful, basically American diplomacy needed a partner in Opec with whom the industrialized world could find common ground. The Saudis, who have played this role within Opec circles before, were once more willing to co-operate. What motivated them in this instance? What lessons can we draw for the future?

In Qatar, Sheikh Yamani was explicit in stating that Saudi moderation on prices was linked to action by the West. Specifically, he demanded action in the CIEC framework and with respect to the Arab-Israeli conflict; if there was no progress on these two fronts, then the Saudis might have to modify their price position later in 1977. The evidence is that it was the Middle Eastern issue which was crucial, though Saudi spokesmen (King Khalid, Prince Fahd and Sheikh Yamani) showed at various times that they all appreciated Western arguments about the dangerous impact of oil price rises on the world economy. In the short run, these arguments were undoubtedly influential, since the Saudis are sufficiently locked into a pro-Western ideological framework to worry genuinely about the potential spread of Communism within Europe. However, if one puts events at Qatar into a wider perspective, it seems clear that the Palestinian

¹³ The full text is given in *Middle East Economic Survey*, 20 December 1976.

issue was still the paramount consideration in Saudi eyes. After all, 1976 saw Riyadh putting a lot of money and diplomatic effort into this area, and the Saudis played a key role in master-minding the October 1976 settlement in the Lebanon. The next stage inevitably required a wider settlement in which US influence on Israel would play a key part. Offering an olive branch to the future President, who has so far been disturbingly (for the Arab world) cool to Arab preoccupations, was only good politics. The signal is quite clear. Saudi Arabia can move the price of oil upwards at any time she wants. It would be a brave man who argues that the linkage of this with progress towards a Middle Eastern settlement will be as fragile as that linking Opec's strategy with progress in CIEC.

But how seriously should we take Sheikh Yamani's statement that Saudi policy on oil prices also remains linked with forward movement in the CIEC? There are some reasons for suggesting that Saudi concern on maintaining some form of link may be genuine. For one thing, by her action in Qatar Saudi Arabia has left herself significantly more isolated within Opec and, as importantly, within the Middle East. Iran, for instance, whose conservative political stance makes her a natural ally within the region has undoubtedly been badly antagonized; and hostile neighbouring Iraq will be encouraged to divert towards Riyadh some of her considerable talent for disruption which she has recently been focusing on Syria. Certainly, the level of vituperation against Saudi Arabia (particularly against the person of Yamani) has reached in certain Middle Eastern quarters a level not seen for many years and, though one expects that the Saudis will be able to ride out the storm (provided their Palestinian policies progress), they cannot be entirely easy about the less stable environment in which they find themselves.

Hence maintaining friends within the Third World is one strategy for limiting the extent of their relative isolation. After all, they do have the money available to buy allies in a suddenly colder world; providing no harm is done to their policy towards Israel, a few blows on behalf of the CIEC will cost them little and could prove a useful precaution. In any case, there is at least one issue—the stabilization of the value of financial assets—which has been discussed within the CIEC and which genuinely interests them. All in all, then, Saudi concern for the CIEC may not be meaningless.

On the other hand, one suspects that, whatever Saudi Arabia's intentions are today, she will find the cause of championing the Third World increasingly irksome. Even before Opec's December meeting there were voices in the Third World, such as Cuba's and Jamaica's, which were starting to point to the paradox of the poorest of the earth being championed by countries whose elites often live with a notorious degree of opulence (Dr Castro talked of the 'fabulous luxury of the reactionary

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sultans . . . being fed with [the] sweat and hunger of hundreds of millions in the Third World'.¹⁴ The problem for Saudi Arabia is that her actions in Qatar are already being widely portrayed as those of a country which is hand-in-glove with the US—hardly an auspicious image for a state trying to develop links with countries for whom 'US imperialism' is still felt to be a reality. In practice, should the Saudis prove that they really will raise their prices unless there is movement within the CIEC, the industrialized world would probably redouble its efforts to win them over to its side by concessions tailored specifically to their needs.

Such a strategy could call for maximum pressure on the Israelis to accede to some form of Middle Eastern settlement which would satisfy moderate Arab opinion (there is, of course, no certainty that the Israelis can be pushed this far); guarantees of continuing and adequate military supplies to Saudi Arabia; maintenance of the value of her financial assets in the industrialized world in recognition that she is producing oil at a rate which is currently in advance of her financial needs;¹⁵ giving her a place within bodies like the IMF which would be commensurate with her economic and regional importance. In return, the Saudis would be expected to moderate future price rises within Opec (it would be foolish to expect them to destroy this organization since the political backlash against Saudi Arabia in the Middle East would be incalculable); to act as a moderating force in Arab circles on the Israeli issue; and to ensure steadily increasing supplies of oil to the developed world over the next decade, provided that the industrialized world—particularly the US—keeps its side of the bargain.

Conclusions

Implicitly, the events of the last months of 1976 were a step in this direction, but there are a couple of final comments. Firstly, the industrialized world would be ill advised to put too much emphasis on a bilateral relationship with one Arab country. Regimes, after all, do change; and though Saudi Arabia seems infertile ground for the emergence of a Qaddafi, the aftermath of some disastrous setback to US-Saudi diplomacy concerning Israel could possibly lead to the emergence of a radically anti-Western regime. However, apart from the Saudi case, there is also a range of issues involving the rest of the oil producers with which the industrialized world must concern itself. For one thing, oil wealth is producing a series of new, second-ranking regional powers which, in an age of proliferating military technology, need to be brought into a relatively stable international structure—and putting all the diplo-

¹⁴ *Middle East Economic Survey*, 13 December 1976.

¹⁵ As Saudi Arabia's role in world and regional affairs increases, her financial needs will grow rapidly. She was actually in deficit on her overall balance of international payments in the second quarter of 1976. *IMF Survey*, 15 November 1976.

matic emphasis on one oil producer, however important, will not aid this process. On a lower level, the other oil producers will be important economic actors in their own right, offering market opportunities to the industrialized world and, increasingly, economic challenges as they invest in industries, such as petrochemicals, which will grow to challenge existing industries in the industrialized world.

There is thus a continuing need for bodies which bring the oil-producing countries together with the industrialized world, and the one area which will probably be salvaged from the CIEC in the long run will be the Energy Commission, even if its form is altered to widen the membership and its dynamics change with the oil-poor Third World countries siding more often with the industrialized world. On reflection, it was this commission which formed the *raison d'être* for CIEC in the first place and, as it becomes clear that most of the other issues discussed within CIEC really are more suitable for more specialized bodies like Unctad, the principle of the Energy Commission may be its one lasting contribution to the international community.

So, was the CIEC a waste of time? For the members of Opec, it probably was; it merely gave their customers a chance to out-talk and out-argue them. For the energy-deficient developing countries, the outcome has been more complex. The dream of a New International Economic Order now appears very much less substantial than in early 1976 as the alliance between Opec and the rest of the Third World has proved precarious under stress. On the other hand, the EDDCs have gained from whatever restraint the CIEC negotiations have imposed on Opec's pricing policies; by the fact that they have had a useful forum to continue pressing their arguments about Third World indebtedness; and, potentially, because there were signs within the Energy Commission of a willingness on the part of the industrialized world to encourage them in the search for new sources of energy. Finally, the industrialized world has gained. The CIEC dialogue helped it to freeze the price of oil throughout 1976 and, by allowing it to identify the weak links within the Opec case, it may well have contributed to Opec's difficulties in December. On the other hand, it is probably wrong to stress that the CIEC has brought Opec no benefits. There is an increasing range of issues, affecting both the oil industry and wider political matters, where oil producers will have to sit down and deliberate with other powers in the world. If the legacy of the CIEC is a tradition whereby the oil producers and consumers choose to negotiate about their concerns, then the world as a whole will have been the gainer.

How common a fisheries policy?

ANGELIKA VOLLE AND WILLIAM WALLACE

The search for a compromise between the divergent interests of member countries on this controversial issue offers an instructive case history of Community policy-making in the face of national pressures.

FISHERIES policy has now become one of the most sensitive, time-consuming and urgent items on the agenda of the European Community. Mr Callaghan has discussed the issue with Herr Schmidt and President Giscard d'Estaing. Special sessions of the Council of Ministers are summoned to debate it; British ministers, together with their Irish colleagues who are the most militant on this subject, have hinted that it is for them amongst the dominant issues in their relations with the Community as a whole. Why has fish become so important a problem at the present moment?

The combination of pressures which have pushed fisheries into the centre of Community policy-making at the same time make for particular difficulties in resolving the differences of interest among the major governments involved. As with so many issues within the EEC, fisheries is at once a question of the distribution of resources among member states and of relations between the EEC and third countries. In several member states, most of all in Britain, there is in addition a problem of balance amongst different domestic interests, most directly between inshore and deep-sea fishermen. The rapid depletion of fish stocks and the appearance of new foreign fishing fleets in the North Sea have raised the urgent problem of conservation—complicating the distribution of resources by imposing demands for a reduction in total catch, and therefore in the numbers employed in the industry. Moreover, the rapid movement of opinion in other coastal states towards the unilateral extension of fishery limits to 200 nautical miles, with the failure to agree on a global settlement over fisheries limits at successive meetings of the United Nations Conference on the Law of the Sea (UNCLOS), exerted enormous time-pressure upon EEC member governments. If they did not find some

Dr Volle, a Research Assistant at Chatham House, is currently working on a project on 'The management of interdependence: foreign policy-making in Britain, France and West Germany'. The project is directed by Dr Wallace, Research Fellow at Chatham House and author of *The Foreign Policy Process in Britain* (London: RIIA, 1976). This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik, GmbH, Bonn.

basis for an agreed extension of their limits by the beginning of 1977, either the North Sea would be invaded by fishing fleets displaced from other areas, or the common fisheries policy and the principle of Community solidarity would break down into a succession of unilateral actions by Britain, France, Germany and the other states involved.

Conservation and exploitation

Since the end of the Second World War there has been an enormous expansion both in the scale of fishing efforts around the globe and in the technical expertise and sophistication of fishing gear used. The world catch in 1948 had amounted to about 20 m. tonnes: in 1974 it had reached about 70 m., threatening to exhaust fishing grounds. In the North Sea and North Atlantic, the main fishing grounds for EEC member states, the problem of overfishing was acute, with new fleets (most recently from Cuba and Rumania) still coming on to the scene. The International Commission for the North-West Atlantic Fisheries (ICNAF), with its secretariat in Dartmouth, Canada, and the North-East Atlantic Fisheries Commission (NEAFC), with its secretariat in London, the bodies responsible for management of fishing effort in these waters, had failed to make any major impact on the conservation of stocks. They had proved unable to develop rational or coherent policies at the international level, since they were empowered only to make recommendations to member governments. Rising concern about the deteriorating situation contributed to the gradual change in attitudes towards extending fishery limits, leading to the summoning of UNCLOS III in June 1974.¹

Failure to agree on a common basis for the extension of limits had by early 1976 led to unilateral action by some countries, and declarations of intent by others. The member states of the EEC had tried to maintain a common position at UNCLOS; but this depended on aligning the Common Fisheries Policy (CFP) with the UNCLOS proposals.² The Six had adopted Regulations establishing the CFP on the eve of negotiations for British, Danish, Norwegian and Irish entry.³ These Regulations, which were to take effect on 1 February 1971, were based on the principle of free and equal access for all EEC fishermen to Community fishing waters and a free market for fish within the Community. They allowed for exceptions either for certain areas, or for the population of those

¹ For a more detailed account of UNCLOS III, see Edward Miles, 'The Dynamics of Global Ocean Politics', in Douglas M. Johnston (ed.) *Marine Policy and the Coastal Community* (London: Croom Helm, 1976), pp. 147-81, and Uwe Jenisch, 'The Law of the Sea and the Maritime Interests of the Federal Republic of Germany', *Aussenpolitik* (English edition) 1/1976, pp. 3-30. See also J. E. S. Fawcett, 'So UNCLOS failed—or did it?', *The World Today*, January 1977.

² Only by the end of July 1976 could British reservations to support the 'EEC clause', the joint EEC position as one contracting party to the future Convention on the Law of the Sea, be removed.

³ EEC Regulations 2141/70 and 2142/70, in *Journal Officiel des Communautés européennes*, Législation, 13e année, no. L236, 27 October 1970, pp. 236/1-236/20.

coastal regions that depended primarily on inshore fishing. The four applicant members managed to obtain certain temporary concessions in the Treaty of Accession, which included a general exclusive six-mile zone for fishermen of the coastal state, with a 12-mile exclusive zone in some specific areas. Unless the CFP was reviewed, their waters would, however, become Community waters after 1982. These concessions were never considered adequate by the countries concerned. The applicant members were contributing far larger and far richer fishing grounds to the EEC than it currently possessed; there was a good deal of suspicion, not entirely unjustified, that the rules had been 'rigged' deliberately to their disadvantage before the negotiations began. In the case of Norway, this contributed to the 'no' vote in her referendum on accession. All this took place before the general move of coastal states towards an extension of fishing limits to 200 nautical miles had been explicitly recognized as a major issue by most Western European governments.

During the so-called British renegotiation in 1974-5, the Labour Government left CFP off the agenda, even though the relevant interest groups had become increasingly vocal. In the Referendum campaign on EEC membership in June 1975, the British Government again tried to keep the CFP a low-key issue. The Commission at the time promised active financial support for the modernization of the British fishing fleet and encouraged hopes that a major reconstruction of CFP would soon take place. It is, nevertheless, surprising that the anti-marketeters did not take up the issue in an attempt to achieve the same result as in Norway.⁴

Domestic Interests

A consensus on general aspects of the CFP amongst the Nine is now emerging, above all on its external dimensions. But there are important national interests to be taken into account as well, which render a harmonization of the different views inside the EEC extremely difficult.

The Danish, who fish mainly for industrial purposes, resist the conservation measures which are so important for the British and the Irish. The Dutch, together with the Germans, were initially against the concept of a 200-mile economic zone, whereas the French, British and Irish were pressing for it. Ireland and (of course) Luxembourg, with no deep-sea-fishing interests, did not share their partners' sense of urgency about third-country negotiations. Italy was irritated that the Mediterranean fisheries were being left out of the proposals for a new internal fisheries regime, which only dealt with the North Sea and North Atlantic. The painful attempts to reformulate the CFP illustrate the divergent interests

⁴ 'Nor did any clear sub-groups emerge with an economic interest which made them dissent almost unanimously, like the fishermen of Norway. The fishermen of Shetland in fact seem to provide the one clear-cut but minute exception to this generalization' David Butler and Uwe Kitzinger, *The 1975 Referendum* (London: Macmillan, 1976), p. 285.

of the main protagonists. In 1974, the UK caught 1,259,000 tonnes of fish—about twice as much as France, and almost three times as much as Germany. If a worldwide extension by third countries to 200 miles was agreed, the three countries would stand to lose, on 1973 figures:

Britain: 350,000 tonnes (36.1 per cent of her total catch)

France: 150,000 tonnes (26.9 per cent of her total catch)

Germany: 280,000 tonnes (67.8 per cent of her total catch).⁵

In a Community 'pond' with 200-mile limits

Britain would catch 0.3 per cent in other members' zones but 63.6 per cent in her own national zone;

France would catch 46.3 per cent in other members' zones, and only 26.8 per cent in her own zone; and

Germany would catch 27.1 per cent in other members' zones and just 5.1 per cent in her own zone.

The different expectations, demands and attitudes of the three countries towards the CFP also derive from contrasting domestic contexts. In Britain, for example, the fishing lobby plays a big role. The Ministry of Agriculture, Fisheries and Food (MAFF) is recognized as the 'sponsoring department' for the fisheries industry. Links between MAFF and the deep-sea oriented British Fishing Federation (BFF)⁶ are extremely close—much to the discontent of the less well organized inshore fishermen of Scotland. In France, the Secrétariat Général de la Marine Marchande (SGMM), the department within the Ministry of Transport responsible for fisheries, has frequent consultations with the French fishing lobby.⁷ But it reserves the right to reach its own decisions on fisheries issues in an international context. The German fishing lobby consists chiefly of the few MPs representing fishing constituencies. They have, however, begun to acquire a number of additional supporters in Parliament, particularly since UNCLOS III has increased the level of interest in fisheries. It has thus escalated into a problem of major political importance.

The fervour with which British MPs defend their constituents' fishing interests in and out of Parliament (gaining widespread attention in the press as well as in public opinion) is, however, not matched in the other two countries.⁸ All three countries have had to cope with sensitive

⁵ With a coastline of only 700 km, Germany's fishing consists of 60 per cent deep-sea fishing (European Communities Commission, Background Note, 2 March 1976.)

⁶ BFF came into existence in the summer of 1976, when the British Trawlers' Federation and the Scottish Fishermen's Federation (representing almost exclusively the deep-sea fishing interests) merged.

⁷ Mainly with the Comité Central des Pêches Maritimes, and the Union des Armateurs à la Pêche.

⁸ The lobby in Great Britain carries much greater weight than the actual employment figures suggest. the 21,000 fishermen in Britain account for only 0.09 per cent of all jobs (*The Times*, 16 September 1976)

regional internal problems on fisheries, of varying national importance. In Britain there is a marked antipathy between the interests of Scottish inshore fishermen and the more public views of deep-sea trawlermen from Humberside. Cornish fishermen protest not only against the East European 'vacuum-cleaner ships' that scoop up vast amounts of mackerel, but also against a possible Scottish invasion of their fishing grounds.⁹ France is having problems of a different kind in Brittany, a sensitive area politically. Her fishermen take 90 per cent of their total catch from British waters, thus giving preservation of access to these fishing grounds a high priority in French politics.¹⁰ Fisheries in the Baltic pose some problems for Germany, given the regional balance of development in Schleswig-Holstein and the continued use of their old fishing grounds by fishermen who have fled West from Danzig and Pomerania.

External relations

These divergent attitudes inhibited the adoption of a common approach at UNCLOS III. In its five sessions (spring 1974 to autumn 1976), three major and interlinked issues on fisheries have predominated:

- (i) extension of fishing limits to 200 miles;
- (ii) negotiations with third countries, in the first instance those involved in the North Sea and North Atlantic; and
- (iii) revision of the EEC's Common Fisheries Policy.

As is often the case in Community bargaining, the two issues concerning external relations (i and ii) proved easier to tackle than the internal problem. The Community countries therefore concentrated their efforts on reaching a co-ordinated position first on the concept of an extension of fishing limits to 200 miles on a Community-wide basis. Britain and France agreed that speedy Community action on this point was absolutely necessary, and could even precede an agreement at the global level. Germany, however, insisted that the outcome of UNCLOS could not be pre-empted. But the failure at the fifth session of UNCLOS to adopt a binding international agreement in August 1976 made the German Government change its mind. It agreed to support an immediate Community reaction to the announcement by Canada, Norway and the United States that they would extend their fishing limits to 200 miles in early 1977. This risked a situation in which most third-country fleets and those European fleets that had previously fished in the American,

⁹ Whilst the EEC catch of mackerel between 1964 and 1974 rose from 74,000 to 94,000 tonnes, the Polish catch rose from 8,000 to 122,000 tonnes, and the Russian catch from 4,000 to 244,000 tonnes (European Communities Commission, Background Note, 13 October 1976).

¹⁰ See Jacques Huret, 'La pêche dans les perspectives économiques de la France', *La Revue Maritime*, No. 311, Février 1976, p. 208. For further information see Marc Bécam, 'Une région dont la population dépend étroitement des richesses de la mer: la Bretagne', *Revue Française des Relations Internationales*, Nos. 5-6, Hiver 1975-6, pp. 215-27.

FISHERIES POLICY

Canadian and Norwegian zones would turn to the—already overfished—European 'pond'. Earlier in 1976, the French Cabinet had decided to go ahead with the necessary legislation to claim fishing and mineral rights up to 200 miles from any French territory. The British followed suit only a fortnight later. French officials made it clear at the outset that they would discuss with their European partners any moves to enforce the new law. The British, however, kept repeating that they would go ahead on their own if the Community failed to agree on a concerted move towards a 200-mile extension by 1 January, a position far less 'communautaire' than the French. For all three countries, negotiations on the access of Community fishermen to the waters of non-member states were of vital importance. Britain was hesitant to make any substantial proposals on this issue until the cod war with Iceland had been finally settled. But by the end of May, the Government had come to the conclusion that bilateral negotiations had the great disadvantage that any concessions on tariffs or on long-term reciprocal fishing arrangements depended on the Community. Furthermore, it reckoned that it would be easier for the Community as a whole to negotiate a phasing-out agreement with the East European countries, whose fleets were taking up to one-fifth of their catch in European waters.¹¹ Hopes of a constructive role for the Commission were encouraged in the early summer, when its Directorate-General for External Affairs set up a special task force for fisheries negotiations at a senior level. By contrast, the fisheries department of the Directorate-General for Agriculture, which had been responsible for the development of the common fisheries policy, had been paralysed by the failure to replace its head of division, who died in November 1975. Germany was therefore reluctant to entrust the Commission with third-country negotiations, particularly since the small fisheries department was not considered one of its most outstanding divisions.

The German Government was internally divided, with conflicting views being pressed by the Ministries for Agriculture and Foreign Affairs, at the time in early 1976 when Canada, the United States and Norway offered tempting *bilateral* arrangements. Though two ministers from the Foreign Office pressed the view that Germany might be forced to deal bilaterally with these countries if Community action was not initiated soon, their ministry's line was that negotiations with third countries could be dealt with only within the Community framework.¹²

¹¹ 'If Britain were acting alone, was it seriously to be considered that the Government would send in the frigates against Soviet trawlers as it did against the patrol boats of Iceland? And what if the Russians were to respond in kind?' (*Financial Times*, 22 September 1976).

¹² Karl Moersch on ZDF (Second German Television), 25 April 1976, *Bonner Perspektiven* (complete wording of the programme), and Hans-Jürgen Wischnewski in *VWD Europa*, 3 June 1976.

The Agricultural Ministry, however, tried to preserve the lawful interests of the German fishing industry, and insisted that access to the deep-sea fishing grounds, where most German freezer trawlers operate, had to be secured. It therefore suggested that in the case of Canada, and maybe even Norway, the countries primarily concerned, France, Britain and the Federal Republic, might co-operate in negotiating a temporary agreement on a bilateral basis.

The French SGMM was attracted to this proposal, since it had also been approached bilaterally by Canada and Norway, but had doubts about reciprocal arrangements. The Quai d'Orsay, however, unconditionally refused such a deal; its line was that the best results could only be achieved through Community negotiations. The British were not especially interested in Canada and did not take the German proposal too seriously. They were right in believing that it was primarily intended to induce the Community to speed up its negotiations. Despite these differences of opinion, the Nine reached an agreement in The Hague in October 1976 before any unilateral action was taken. This extended the Community's fishing limits to 200 nautical miles as of 1 January 1977, and authorized the Commission to open negotiations with non-member countries immediately.¹³

Third-country negotiations

The relatively high hopes the Nine attached to the Commission's chances soon changed to gloom and disillusionment as they realized its limited bargaining power. The negotiations are conducted by the Commissioner for Agriculture in charge of overseas fisheries, Finn Olav Gundelach. The Commission's proposals of September 1976¹⁴ set out three categories of third-country negotiations:

- (i) towards countries with which reciprocal arrangements were negotiable (like Iceland and Norway);
- (ii) towards countries with little or no interest in Community waters, but with possible surpluses in their own waters to which access might be granted (like the United States and Canada); and
- (iii) towards countries which were interested in Community waters but which had little or nothing to offer in return (like the East European countries)

Negotiations with Iceland have to be conducted under immense time-

¹³ Bulletin of the European Communities (Commission), No. 10/1976, points 1502-5. During the meeting (1) the member states agreed on a joint extension of their fishing limits to 200 miles in the North Sea and the North Atlantic, (2) the Commission was given the mandate to negotiate fishing agreements with third countries along the North Atlantic, North Sea and Baltic; (3) Ireland received firm assurances that her special fishing problems would be taken into account, and that there would be financial support for the policing and supervision of her part of the 200-mile limit.

¹⁴ COM (76) 500 final, 23 September 1976.

pressure, as Britain's agreement with Iceland came to an end on 1 December 1976. The Nine want more from Iceland than they can give in return, as Iceland takes only 5 per cent of her catch outside her own 200-mile limit. The often threatened withdrawal of EEC tariff concessions is not considered damaging in Reykjavik: Iceland can easily sell her catch to the United States. The Community's only lever is Iceland's wish to increase her small industrial exports to the EEC. Amongst the Nine, the question remains whether Germany and Belgium would accept an early Community deal with Iceland, which might well be less profitable than the bilateral ones they negotiated until 28 November 1977. Hopes that the Icelanders would make an early offer to the Community over temporary fishing rights were dashed in late December. In retaliation, Britain took the unilateral measure of prohibiting Icelandic trawlers from access to the new 200-mile 'pond' from 1 January 1977. The ban, though politically and psychologically understandable, constituted a violation of the principle of the status quo and as such was unwelcome to other member governments.

Negotiations with Norway seem to promise fewer problems, though nearly 90 per cent of Norway's catch in EEC waters is taken in areas close to the British coastline, and Norway has repeatedly threatened to phase out German and French fishing vessels which rely substantially on their catches in Norwegian waters.

With Canada and the United States the Community is trying at the moment to obtain long-term agreements for the exploitation of surpluses.¹⁵ The United States, however, has made it quite clear already that after 1977 it does not see any surpluses for other countries after having satisfied its own fishermen.¹⁶ Since Canada concluded a co-operation agreement with the EEC on 6 July 1976, the Community hopes for a 'special relationship' in fisheries. Nevertheless, it has to fear strong competition for the exploitation of the surpluses from the Russians, who completed negotiations with Canada in early November 1976. Canada also has the right to revoke the licences of foreign vessels caught with more than their allotted quota. So far, 14 West German vessels have been denied licences, as their operators apparently did not furnish the information required by the Canadian authorities.¹⁷

Negotiations with the Eastern coastal states present a serious political problem for the Nine. Though the Soviet Union, Poland, Bulgaria, Rumania and East Germany want access to EEC waters, they have so far refused to recognize the European Commission diplomatically. The

¹⁵ According to Articles 50 and 51 in the Revised Single Negotiating Text of UNCLOS III, there are no rules as to who gets access to the surplus. The generally accepted criterion is the past record of conservation by applicant countries.

¹⁶ Bulletin der Bundesregierung, No. 118/p. 1146, 9 November 1976.

¹⁷ *International Herald Tribune*, 3 January 1977.

Soviet Union's move to 200-mile limits on 10 December 1976 constitutes the basis for a reciprocal fishing agreement, as Britain, Germany, France and Belgium catch arctic cod in the Barents Sea. However, the decision taken by the Council of Foreign Ministers in Brussels on 20 December provides for a substantial reduction of Russian, East German and Polish fishing activities in EEC waters during the first three months of 1977, with yet further reductions thereafter. Bulgarian and Rumanian ships were informed that as from 1 January 1977, their trawlers (eight and two respectively in December 1976) had to leave the EEC 200-mile zone.

If the East European countries do not respect the Community's new rules, it is not yet clear how the Community will be able to enforce them. Without a Common Defence Policy, and hardly any adequately equipped national patrolling fleets and aircrafts, this will not be an easy task.

The internal regime

The third—and most delicate—problem for the Nine was to reach a solution on the outstanding problem of the internal management of the EEC 'pond'. In February 1976 the Commission had put forward its first major proposals on this issue.¹⁸ It suggested, firstly, a national limit of up to 12 nautical miles, under the jurisdiction of the member states for an unlimited period of time, to be open until 1982 only to those vessels which have traditionally fished in the area; and, secondly, the annual fixing of catch quotas by the Council of Ministers.

France, Germany and most Community governments had little difficulty in accepting a 12-mile economic zone, provided that historical rights would be preserved. Britain, however, claimed that a 12-mile zone was too small to permit effective conservation measures, because 56 per cent of the Community's fish stock would lie in British waters. British fishermen and the fishing industry had until June 1976 demanded a 100-mile exclusive economic zone (EEZ) round the coast of Britain, but settled on a claim for an exclusive 50-mile coastal band. Around the same time, the British Government dropped its demand for a 50-mile EEZ and opted for a variable coastal belt between 12 and 50 nautical miles. In their request for a wider coastal belt the British had hoped for French support, particularly since Spanish accession to the Community would create problems for the French in the Bay of Biscay. However, this was a miscalculation. French officials made it plain that they would rather have a wide EEC pond than an enlarged EEZ in the Bay of Biscay, where their fishing interests were not all that substantial. The French took the hardest line on the British demands, insisting that they would be quite happy with an EEZ of only six miles. Officials representing Germany's fishing interests in Brussels tended to agree to the 12-mile belt proposal and rejected the British claims that a further extension of the coastal

¹⁸ COM (76) 59 final, 18 February 1976.

zone would violate Article 7 of the Treaty of Rome. What would have suited Britain's long-term interests would have been guarantees that British fishermen could catch a specified quantity of fish. The controversial quota arrangements and insufficient enforcement proposals of the Commission in February 1976 were, however, 'wholly unacceptable' to the British Government.¹⁹

The Commission has, since then, put forward new proposals in September 1976.²⁰ This followed the appointment of a new head of the Fisheries Division in Directorate-General VI (Agriculture), after almost a year's argument as to the acceptable nationality of the successor.²¹ The new proposals took into account the special situation of both the northern part of the UK and specific areas in Ireland, and recommended that fishermen in these regions should receive an additional share when the quotas were allotted.²² These concessions made some British politicians realize for the first time that it might be more advantageous to concentrate on the question of overall quotas rather than on the size of the proposed inshore fishing zone. Whilst the French seem to be favourably inclined towards a special allocation of quotas to the British, the Germans have resisted such preferential treatment. They argue that to allow exceptions to the rules once would constitute a precedent that might be applied in other policy sectors, which in turn might not suit the British so well. The German Minister for Agriculture, Josef Ertl, made this quite clear when he declared that the principle of non-discrimination and solidarity within the Community implied distribution of the catch according to past performance, with no special quotas.²³ The problem is that there are no exact figures for past performance, and the member states have not yet agreed on how far to go back for their reference period. Furthermore, even the Commission's more recent recommendations of 2 December 1976 did not carry conviction.²⁴ This accounts for the con-

¹⁹ Roy Hattersley, Minister of State, Foreign Office, before the European Parliament, Luxembourg; *The Times*, 7 April 1976.

²⁰ COM (76) 500 final, 23 September 1976.

²¹ The Belgian Jacques van Lierde was succeeded by the Dutchman Frederik Visser.

²² The Irish have already received firm assurances on this point at the meeting of the European Council in The Hague on 30 October 1976.

²³ Speech in Husum, 4 November 1976 (Bulletin der Bundesregierung, No. 118, 9 November 1976, p. 1147).

²⁴ The highly technical and so far unpublished reworked proposals for an interim period dealt, amongst others, with the reduction of the present production capacities of the fleets, together with wide measures for reduced fishing for certain species and certain zones. They suggested selling centres for fish with public auctions; licensing of vessels and registration of skippers; harsh sanctions in the case of poaching; banning of factory ships; specific EEC ports as landing points; police vessels operating on a Community basis, fishermen as 'policemen on the spot', etc. (*The Times*, 15 December 1976). They were discussed by EEC Foreign Ministers in a special session on 20 December 1976 in Brussels, and, as no agreement could be reached on new conservation regulations, referred to the Commission for further improvement (*The Times*, 22 December 1976).

tinuing reluctance of the British Government to accept definitive regulations on the internal regime.²⁵

Conclusions

The story of the wrangles over the CFP so far illustrates a more general feature of Community decision-making: namely, that it is a great deal easier to resolve the external dimensions of policies than to reach agreement on reshaping internal regimes. It also demonstrates, as so often in EEC policy-making, the enormous difficulty of harmonizing national policies into coherent and rational Community policy when different member governments have awkward or delicate domestic interests at stake. The search for a compromise between the divergent interests of Britain, France and the Federal Republic has proved difficult in the extreme, not least because of the issue's peculiar sensitivity in terms of domestic politics in Britain.

The 200-mile Community 'pond' came into existence on 1 January 1977, but without revised regulations on its internal management. The interim scheme, hastily cobbled together by the Nine on 20 December as a temporary and transitional solution is unsatisfactory and yet in danger, in the absence of more positive agreement, of becoming a more lasting arrangement. The British Government, which holds the Presidency of the Council of Ministers until the end of June 1977, may well want to set a high priority on the issue. The Foreign Minister, Anthony Crosland, who sits for the fishing constituency of Grimsby, already declared that amongst national goals for the Presidency '... the number one priority amongst our interests will be the question of fisheries'.²⁶ The period of the British Presidency is a difficult time for reaching a final settlement on the internal regime of the CFP. At the time of writing no country seems prepared for major concessions, so that substantial progress in the near future is unlikely—even though the British Government might wish to bring off a successful compromise during the coming six months. It looks as if the CFP and its problems will be with us for some time to come.

²⁵ See the debates on the Fisheries Limits Bill in the House of Commons on 3 and 10 December 1976.

²⁶ Speech to the Foreign Press Association in London, 8 November 1976

Giscard and the European Community

MICHAEL LEIGH

President Giscard lifted the French veto on direct elections to the European Parliament. But Gaullists and Communists are considering an 'historical compromise' to block the measure in the French National Assembly.

THE victory of Valéry Giscard d'Estaing in the presidential election of May 1974 inspired predictions of a new French role in the EEC. Jean Monnet saw in Giscard's election a decisive break from the past: 'General de Gaulle had a policy which in his view was European; it certainly was not in mine. Pompidou took a series of measures towards building Europe, but Giscard has the conviction that Europe must be achieved and, consequently, it is not only a point of view, it is the heart that speaks.'¹ Leo Tindemans, the Belgian Prime Minister, forecast that Giscard would use France's presidency of the EEC Council of Ministers, during the second half of 1974, to relaunch the European enterprise. Unlike his predecessors, Giscard was neither addicted to 'national independence' nor allergic to 'supranational integration'. Monnet and Tindemans had, therefore, some basis for predicting a major shift in France's European policies.

Yet less than three years later Giscard's plans for Europe are in grave jeopardy. The new presidential majority which Giscard hoped would liberate him from dependence on the Gaullist party has failed to materialize. French politics threaten to become polarized between a burgeoning Left and a resurgent Gaullist Right. This would leave little scope for Giscard's third force with its aspirations towards an 'advanced liberal society'. Direct elections to the European Parliament are a plank in Giscard's reform platform. But today Gaullists and Communists are contemplating an alliance of convenience to block direct elections, as they blocked the European Defence Community in 1954. If such a move succeeds, Giscard's grip on power will be further weakened and any hope of a European *relance* shelved indefinitely.

This article examines the successes and failures of Giscard's European policies. It analyses his most striking initiatives and the constraints which have limited their effect. The second part relates Giscard's

¹ *Le Monde*, 11 January 1975.

Dr Leigh is Assistant Professor of International Relations at the Johns Hopkins School for Advanced International Studies, Bologna, Italy.

changing tactics over direct elections to his search for the elusive presidential majority at home.

Giscard's European record

Few diplomats or officials in Brussels have ever accepted at face value Giscard's determination to strengthen European Community institutions. They concede that the new President withdrew French objections to majority voting in the Council of Ministers and direct elections to the European Parliament. But they argue that these were largely symbolic retreats from positions of Gaullist intransigence made to ensure the adherence of the European-minded Centre Democrats to the new presidential majority. Giscard, it is said, knew full well that the British and the Danes could be relied upon to resist any significant transfer of authority to the institutions of the enlarged Community. So he could afford to court approval in European circles with little fear that his bluff would be called.

This interpretation contains a grain of truth and is a corrective to the roseate optimism with which European federalists greeted Giscard's election. But it owes much to the inveterate cynicism of the diplomatic profession and the declining job satisfaction of Community officials in Brussels. Giscard's pro-European stand in the 1974 election was not an opportunistic bid for Centrist votes but the culmination of a decade of agitation for a united Europe. This was one of the key issues on which Giscard had always sought to differentiate his Independent Republicans from their Gaullist allies. He wanted to capitalize on the public approval, first revealed during the 1965 presidential election campaign, for a European policy that was less intransigent than de Gaulle's. In January 1967 Giscard summed up his attitude to the Gaullists in the celebrated phrase 'yes but'. Yes, the Giscardiens would continue to vote with the majority in parliament and to participate in government. But they would not give blanket endorsement to Gaullist policies; they would press for social and economic reform and for the construction of a European confederation by 1980.

Giscard made a double contribution to the relaunching of Europe at the Hague in 1969. He helped to secure de Gaulle's resignation by opposing the General's referendum on Senate and regional government reform and then gave his support to Georges Pompidou on condition that he pursued positive policies towards the EEC. Under Pompidou, the Independent Republicans acted as a pro-European ginger group; but many of their policies, including monetary and economic union, were undermined by the recession.

Prudently, Giscard did not make his election campaign, following Pompidou's death, a European crusade. Opinion polls revealed that the electorate was far more exercised about inflation, unemployment and the

energy crisis than about uniting Europe. None the less, his treatment of European issues was more acute and convincing than that of his principal rivals. Interdependence created a framework within which Giscard could pledge his defence of the personality of France while asserting the indispensability, to that personality, of the European Community.

Since May 1974, the pages of *l'Humanité* have been replete with quotations from General de Gaulle denouncing supranational integration. Swallowing hard, Gaullist diehards such as the former UDR Secretary-General Alexandre Sanguinetti have rushed to claim their share in the defence of de Gaulle's European legacy: 'We Gaullists', Sanguinetti said recently, 'are not obliged to leave Communists with the privilege of being the sole defenders of national independence. Ninety per cent of the UDR share this sentiment'.¹ How egregious have Giscard's European initiatives been that they should provoke an incipient historical compromise between the Gaullist Right and the Communist Party?

Giscard has undoubtedly changed the style of France's approach to European problems. The prominence given to European unity in presidential speeches and the official programme of the Barre Government is unprecedented. French officials now call European institutions by the names everyone else has long accepted instead of the disparaging sobriquets dear to old Gaullists and Communists. Gone are the 'chimeras', 'myths' and 'areopaguses' with which Michel Jobert attempted to reproduce his master's voice.

At another level, the Pompidou-Heath connection was replaced by a Giscard-Schmidt link in 1974. But disparities in the economic performance of France and Germany prevented this personal relationship from spilling over into co-ordinated fiscal and monetary policies. Schmidt's attacks upon the CAP and his casual remark that Gaullist conservatism was responsible for the strength of Communism in France guaranteed criticism of the new entente from left and right. Prudence commended a rapprochement with Britain to counter charges of excessive dependence on Germany. The resignation of Harold Wilson, with whom Giscard never enjoyed a close rapport, facilitated the move towards bi-annual Franco-British summits.² Giscard's interest in a similar arrangement with Italy suggests a bid for European leadership through a series of bilateral relationships.

The spectre of a Paris-Bonn-London-Rome directorate set alarm bells ringing in the smaller EEC member states. The Benelux countries quickly shot down the trial balloon Giscard floated in February 1976, suggesting that 'a board of directors' might manage the EEC.³ But they

¹ *Le Monde*, 20 January 1976.

² See Neville Waites, 'Britain and France: towards a stable relationship', *The World Today*, December 1976.

³ *Le Monde*, 10 February 1976.

fear that France remains attached to the idea; only the 'big four' of the Community were invited to the economic summits at Rambouillet in November 1975 and in Puerto Rico in June 1976. All nine member states are represented at the European Council, which was set up on Giscard's initiative, but even here agreement between the 'big four' is the prerequisite to success.

Summit diplomacy is an important weapon in Giscard's domestic political arsenal. He can only hope to secure Gaullist votes for direct elections to the European Parliament by demonstrating the continued vitality of the *Europe des états*, a concept sustained by such Gaullist devices as summits and directorates. Raymond Barre has argued explicitly that the European Council (for which he is careful to credit Pompidou as well as Giscard) takes the sting out of direct elections. 'It is because the Council exists and has proved effective that we can approach the election by universal suffrage without fear',⁶ he said last autumn. But after the disappointing performance of the Hague summit in November/December Giscard himself admitted that the European Council might need rethinking.

The appointment of Barre as Prime Minister in August 1976, following six months apprenticeship as Minister of Trade, dramatically enhanced the European complexion of the French Government. For the first time during the Fifth Republic the post of Prime Minister went to a non-Gaullist. Giscard's differences with Jacques Chirac had more to do with electoral strategy and personal rivalry than with policy. None the less, his replacement by a former Vice-President of the EEC Commission could only reinforce Giscard's commitment to the Community.

Barre's performance at the Commission between 1967 and 1973 satisfied Centrists that he was a convinced European. At the same time his former association with General de Gaulle and the solicitude for French interests with which he tempered his Europeanism mollified the UDR. Many remembered that he had issued a personal statement, as Commissioner for economic and financial affairs, criticising the EEC for its failure to form a united front against Nixon's 'protectionist' measures in 1971. Barre seemed to favour a 'European Europe'; he could scarcely be accused of the sin of Atlanticism.

Despite his preoccupation with inflation and the franc, Barre gave considerable prominence to European unity when he presented his Government's programme to the National Assembly on 5 October. With great finesse he contrived to endorse Giscard's European policies without offending any major faction of the majority. If he called for policies designed to promote European union, he insisted that the union should be of the *confederal* type favoured by de Gaulle and Pompidou. He approved of direct elections to the European Parliament but insisted that

⁶ *Le Monde*, 19 October 1976

they would, in themselves, do nothing to augment the powers of the Parliament. Giscard's name was heard only once during a long discourse although Barre evoked the names of de Gaulle and Pompidou many times. Barre was acutely conscious of the constraints which limited his Government's freedom of initiative. As he frankly remarked, '*un premier ministre doit aborder avec circonspection le problème de l'Europe pour éviter d'en faire une issue de politique intérieure.*'⁶ No doubt Chirac's pronouncement from Egletons contributed to the caution with which Barre presented his European goals.

A network of constraints

The precondition for the success of Giscard's reform programme, including its European components, was the creation of a new presidential majority. Without it the Government depended on a majority in the National Assembly comprising 174 Gaullists, 51 Centrists and only 70 Independent Republicans. In 1974 the new President gave Michel Poniatowski the task of 'giscardizing' the majority. His mission might have succeeded if the first two years of Giscard's presidency had not coincided with double-digit inflation and the recession. Economic ills contributed to opposition victories in the cantonal elections of March 1976 and gave the Left reason to hope for outright victory in the legislative elections of 1978.

March 1976 was a disastrous month during which government reverses forced the abandonment of Poniatowski's mission. Besides the cantonal election setback, the month brought severe pressure against the franc followed by its withdrawal from the joint currency float, the snake, a cherished Giscard project. Faced with federal elections in October, Chancellor Schmidt refused to revalue the mark in time to keep the franc in the snake and save Giscard's face.

The President's position deteriorated further in the autumn. Chirac called for a new conservative 'rally' of the French people, opposed both to Communism and to Giscard's brand of liberalism. The publication of Giscard's political credo, *Démocratie Française*, did little to stem the tide. Chirac was returned to Parliament with an increased majority in the November by-elections. These elections bolstered the morale of the UDR and brought fresh socialist advances. On 5 December, at a huge rally in Paris, Chirac persuaded the UDR to transform itself into a new movement, to be called *Rassemblement pour la République* (RPR).

Giscard's political debility encouraged Gaullist ultras and the Communists to mount a campaign against direct elections to the European Parliament. The Gaullists are far from united on the issue. Their moderate wing, including Olivier Guichard, Giscard's senior Minister of State, and Jacques Chaban-Delmas, his former presidential rival,

⁶ *ibid.*

favours direct elections. But such ultras as Alexandre Sanguinetti, Michel Debré and Pierre Messmer remain resolutely opposed. In May 1975 they relaunched '*Présence du Gaullisme*', an association formed on the morning of the General's resignation to safeguard his principles. In October 1976 Michel Debré announced his intention to set up a 'Council for the Unity and Independence of France' with the express purpose of blocking direct elections. Chirac, never an enthusiast for the EEC, may be tempted to exploit the issue to mobilise support for the RPR.

The Gaullist ultras cannot simply be dismissed as a nuisance. Their arguments have been picked up and amplified by the French Communist Party (PCF) with whom they have formed a tacit alliance to oppose direct elections. Georges Marchais, the Secretary-General of the PCF, has said that direct elections would be a 'crime against France'. This remark was repudiated by Gilles Martinet, National Secretary of the French Socialist Party, who justly called it 'a step backwards from the Common Programme of the Left'. But it won the applause of Gaullist ultras who, like the PCF, see the EEC as a pawn in the hands of German and American capital. Sanguinetti recently commented: 'I accept the Communists as objective allies. Furthermore I respect them and I rejoice to see them discovering, not before time, the virtues of Gaullism.'¹ If a Communist-Gaullist blocking alliance is formed in the National Assembly, Giscard cannot necessarily rely upon the Socialists to bail him out. A vociferous minority of the Socialist Party remains opposed to the 'liberal-capitalist' EEC. Mitterand may not want to compromise his status as opposition leader by lending support to Giscard just when the Left is on the brink of attaining power.

Gaullists and Communists have different but overlapping reasons for fearing direct elections. Posing as strict constructionists of the Treaty of Rome, the Gaullists insist that any European election be held on the same day and by the same method throughout the Community. But they also objected to any amendment to the Constitution of the Fifth Republic, with its electoral system based on simple majority, single member constituencies.

Underlying these contradictory constitutional arguments is the palpable fear that direct elections would, sooner or later, be held by proportional representation. Proportional representation would give the Gaullists a much poorer showing at Strasbourg than they enjoy in the French National Assembly. The main beneficiaries of PR in France and across Europe would be the Socialists, already the largest group in the European Parliament. The virulence of Communist opposition must be understood in terms of the fear that European Communists would emerge as a small minority faction in Strasbourg just when they were close to power in Paris and Rome.

¹ *Le Nouvel Observateur*, 8 March 1976.

Giscard's negotiating stand at the Luxembourg and Brussels summits of 1976 was dictated by the political situation in France. At Luxembourg he adopted the tactics of delay. The crisis of the pound, the lira and the franc provided a pretext to relegate direct elections from first place on the Luxembourg agenda. When the vexed topic of the distribution of seats came up, Giscard proposed that the European Parliament should, for the 1978 election, remain at its present strength of 198, retaining the existing national distribution of seats. This proposal appealed to Giscard as he believed it would obviate the need to amend the Treaty of Rome. Such an amendment would exacerbate divisions within the majority and force the Government to solicit Socialist votes for its ratification.

But the hostility of Britain and Italy guaranteed that the outcome of Giscard's proposal would be delay. Britain objected to the chronic under-representation of Wales and Scotland which the French plan would perpetuate. Italy objected to the exclusion of her small Centre-Right parties from the European Parliament which the French plan would make inevitable. The impasse in Luxembourg gave Giscard time to negotiate a compromise which might appease his domestic critics.

During the delay Giscard succeeded in negotiating a formula which was acceptable to the Community's smaller states and which also met Gaullist criticism of the over-representation of those states. Under the formula, agreed in Brussels in July 1976, the size of the European Parliament would be approximately doubled from 198 to 410 seats. An assembly of this size would be large enough to ensure both the minimum number of seats demanded by the smaller states and a sufficient number of seats to satisfy the special demands of Britain and Italy. France, Britain, Italy and Germany each received 81 seats, or 19.8 per cent of all the seats in the future Parliament. This gave France the most favourable quota of seats, in proportion to her population of any of the big four.⁸

But the Gaullist ultras and the Communists were not appeased. Jean Kanapa, foreign affairs spokesman for the Politbureau of the PCF, called the Brussels accord a 'grave decision' Michel Debré was equally uncompromising. Giscard hoped to undermine Communist-Gaullist objections to direct elections by appealing to the Constitutional Council. But the Council's decision that direct elections are consistent with the French Constitution scarcely exhausted his opponents' resources. 'The opinion of the Constitutional Council changes nothing', Kanapa commented drily.⁹ He pointed out that the Council based its decision on the view that direct elections would not add to the powers of the European Parliament.

Giscard wants to face down his critics before the threatened Communist-Gaullist alliance can coalesce. The EEC has always been more

⁸ Percentage shares in EEC population: France, 20.4 per cent; Italy, 21.4 per cent; Britain, 21.8 per cent; Germany, 24.1 per cent.

⁹ *Le Monde*, 2-3 January 1977.

popular in France than Gaullist or Communist rhetoric suggests. Recent opinion polls confirm that a majority of popular opinion supports direct elections.¹⁰ Giscard may be tempted to defy his opponents with the implied threat of a referendum. But knowing the tendency of this supremely Gaullist weapon to backfire, as in 1969 and 1972, it is a temptation which Giscard would do well to resist.

*For or Against Election of the European Parliament by a
Popular Vote*

	<i>For percentage</i>	<i>Against percentage</i>	<i>No Reply percentage</i>
September 1973	51	18	31
May 1975	68	15	17
October–November 1975	69	13	18

Source. Euro-barometre, No 4, December 1975.

Meanwhile France's network of political constraints guarantees that the President will continue to deliver a reassertion of national prerogatives for every display of Community-mindedness. His initiatives towards building an *Europe des peuples* will be tempered by gestures designed to reassure French nationalists that the *Europe des états* is still alive and well. Giscard's partners in the EEC will need to show considerable understanding for what they will inevitably see as French prevarication. But such nationalist gestures may be the only way of preventing direct elections from becoming the nemesis of both Giscard and the European Community.

¹⁰ See Euro-barometre. *Public Opinion in the European Community*, No. 4, December 1975, working document, Commission of the European Communities

CORRIGENDA

The World Today, January 1977, in the article on 'The Italian experiment and the Communists', p. 9, line 17, for '2.6 million' read '12.6 million'; on p. 12, last line, for '1948' read '1947'.

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The Kissinger legacy : old obsessions and New Look

SIMON SERFATY

HISTORY has no difficulty locating lost opportunities; critics face even fewer difficulties finding those who are responsible. What history and critics both overlook is that events have a continuity of their own. Thus, today's foreign policy hero becomes tomorrow's villain—and vice versa—as observers pass new judgments under the guise of history.

Consider, for instance, John F. Kennedy. In the early 1970s a whole revisionist literature arose, anxious to dispel the mythical notions which framed his foreign policy during his shortened presidency. Whatever its appeal or partial truth, such literature almost always starts too late and ends too early. Too late, because it does not take sufficient account of the legacy of the Eisenhower Administration: a credibility gap with the Soviet Union following the U-2 incident; the Laos affair for which an invasion involving American troops had actually been planned; the projected invasion of Cuba; the postponement of a final decision on the question of ABM deployment; relations with the Nato allies and, more specifically, relations with de Gaulle. Most of these issues matured in the spring of 1961 and conditioned a crisis diplomacy which characterized Kennedy's foreign policy during his stay in office. To be sure, neither the President, nor his Secretary of State, have much room for on-the-job training, and both should be able to demonstrate a balanced judgment from the very day they enter into office. Still in the spring of 1961, whose foreign policy was it, Eisenhower's or Kennedy's? Can any one man change foreign policy single-handedly and in a matter of a few weeks? Could this heritage from the Eisenhower days have been ignored and the whole game be started anew? Oblivious of the past, the revisionist critique of the Kennedy Administration also ends too early. It conveniently ignores the last few months of Kennedy's presidency (when changes pertaining to the relationship with the Soviet Union and with China, with de Gaulle and with the Third World were set in motion) in order to link Kennedy more firmly with Johnson, placing upon the former the guilt for the latter's subsequent escalation of the Vietnam war.

Now we see the same pattern emerging with the end of the Nixon-Kissinger-Ford foreign policy administration. Mistakes are uncovered

Dr Serfaty is an Associate Professor of American Foreign Policy at The Johns Hopkins University School of Advanced International Studies in Washington, D.C. His publications include *France, de Gaulle, and Europe. The Policy of the Fourth and Fifth Republic Toward the Continent* (Baltimore: Johns Hopkins University Press, 1968) and *The Elusive Enemy. American Foreign Policy Since World War II* (Boston: Little, Brown and Co., 1972).

everywhere. Missed opportunities are described by scores of observers. Yet, the newcomers to power are likely to face the same fate as their predecessors, making mistakes and missing opportunities, their actions being determined by forces and events that were set in motion before they took office. What foreign policy legacy, then, have they inherited? In other words, what has Kissinger, with all his strengths and faults, left them to work with?

It appears, in retrospect, that during his eight years as the key foreign policy-maker in the United States, Kissinger actually conceptualized a New Look which might be regarded as the first significant and sustained departure from American diplomacy after the Second World War. To be sure, we have seen numerous New Looks over the past 31 years, but new looks behind which was hidden a striking continuity in terms of both the global conceptualization and the specific implementation of American foreign policy. For nearly three decades, America essentially spoke the same Wilsonian language, fought the same elusive enemy, aimed at the same military superiority, and sought the same hegemony within a world whose bipolar distribution was thought to be irreversible.

Thus, the American New Look rests first of all on the end of a rhetoric. 'It is part of American folklore', complained Kissinger in 1966, 'that while other nations have interests, we have responsibilities; while other nations are concerned with equilibrium, we are concerned with the legal requirements of peace. We have a tendency to offer our altruism as a guarantee of our reliability.'¹ Accordingly, Kissinger discarded the old folklore and rediscovered the basic themes of the early period of the Republic's foreign policy—national interest, balance of power, self-preservation and self-expansion. Expressed in a succession of well-timed major foreign policy pronouncements, America under Kissinger first recognized the ideological diversity of the international system, second, the limitation of American resources and, third, the dominance of national interests as the guidelines to diplomatic action. In 1973, Nixon pledged that the new 'structure of peace' to which his administration was committed, would and could be devised 'despite profound differences between systems of government', and that 'the time has passed when America will make every other nation's conflict her own, or make every other nation's future our responsibility, or presume to tell the people of other nations how to manage their own affairs.'² And Kissinger to add subsequently: 'We are one nation among many. . . . We must give up the illusion that foreign policy can choose between morality and pragmatism. . . . No nation has a monopoly of justice and virtue. In the nuclear age especially, diplomacy involves the compromise of clashing principles.'³

¹ *American Foreign Policy*, Three essays by Henry Kissinger (New York W. W. Norton, 1969), pp. 91-2.

² Second inaugural address, January 1973.

³ Address to the American Society of Newspaper Editors in Washington, 17 April 1975.

KISSINGER LEGACY

In a narrow perspective, such aspirations must be compared to the rhetoric of the Truman Doctrine which, from 1947 on, shaped American diplomacy: the inflexible analysis of a frozen international system within which America was endowed with a rigid national interest. Unapplied at first, the Truman rhetoric was given global significance following the outbreak of the Korean conflict as Secretaries Acheson and Dulles extended the scope of American commitments to every part of the globe.

In a larger perspective, however, this new rhetoric must also be compared to the traditional manner in which America, throughout this century, has sought to present its policies and its objectives. Speaking shortly before he became the Special Advisor to President Nixon on foreign affairs, Henry Kissinger had clearly stated: 'Vietnam is more than a failure of policy, it is really a very critical failure of the American philosophy of international relations. . . We have to assess the whole procedure and concepts that got us involved there . . . if we are not going to have another disaster that may have quite a different look but will have the same essential flaws.'⁴ There is no need to dwell once again on the intellectual mistakes of the former rhetoric. Suffice it to say that, devised to justify a given policy, such a rhetoric ultimately became the policy itself within a framework which offered little resemblance to prior international and domestic conditions. By submitting America to a seminar in international relations, by providing the realist terminology with a new biblical legitimacy, by implicitly endorsing much of what the critics of the late 1960s had themselves concluded, Henry Kissinger helped transform realist philosophy. In truth, he took the nation away from the Wilsonian syndrome, emptied the old utopias of their popular credibility, and in the process, as Irving Kristol suggested, he 'Europeanized' the American philosophy of international relations. Indeed, it is only on the basis of such a new rhetoric that any one Secretary of State can ever attempt to achieve the balance of means, objectives and purposes which was, after all, the ultimate demand of most of the critics of the 1960s. To be sure, with the new rhetoric also came renewed secrecy. But is there any true alternative to secrecy when engaged in diplomatic bargaining? Mediation more particularly requires the dissimulation of differences between adversaries, as well as between the adversaries and the mediator. Without the latter, mediation becomes a variation on intervention.

ideological obsession

In terms of substance, the New Look entails the reassessment of three major obsessions which shaped, from the American viewpoint, the years of the Cold War. First among these is an ideological obsession which found its expression in the belief in a Communist monolith, inspired and led by the Soviet leadership. Such a belief implied an inability on the part

⁴ See Richard M. Pfeffer (ed.), *No More Vietnams? The War and the Future of American Foreign Policy* (New York: Harper & Row, 1968), p. 13.

of American policy-makers to draw a valid distinction between ideology as an end in itself and ideology as a means towards other national ends.

It is this ideological obsession which gave American policy in the 1950s and 1960s a *raison d'être* that pre-empted progressively the need for any further, more rational justification, and provided the complex web of international relations with a simplicity which it did not, and could not, have. The enemy was everywhere, and his success anywhere was democracy's defeat regardless of the specifics of the situation. What was wrong with such a vision of the world was not so much that Russia should not be trusted, or that the Communists should not be acknowledged as legitimate partners in Western democratic governments. What was wrong, of course, was the global assumption that the only motivating force behind Moscow's foreign policy was its ideology, that the foreign policy of any and all Communist states was directed by and from Moscow, and that any force in favour of change was Communist, and, conversely, any force or group opposed to Communism was democratic. As empires crumbled, America failed to make the necessary distinction between Communism and nationalism, and unwittingly led many to seek in Moscow what could not be obtained from Washington. As a new social consciousness developed everywhere, America failed to make a distinction between revolution and evolution, and naturally emerged as the main pillar of a status quo which was being eroded by irreversible forces of change. Our own changes, whenever they did take place, came less out of wisdom than out of the evidence of failure.

Examples of such failures are many, and explanations even more numerous. This is not the place to list them. Suffice it to say what has by now become obvious: that Vietnam was the logical outcome of a policy so defined and that by the late 1960s, therefore, the time had come to draw the boundaries of our possible behaviour—not only what we could do but, even more importantly, for and against whom.

Thus, the American New Look implied several adjustments in the nation's response to Communist ideology. First, while Communism remained abhorrent to the American way of life, it was progressively agreed that America's relationship with Communist states was not to be denied on the basis of this ideological incompatibility alone; second, that Soviet influence over other Communist states varied widely from region to region, if not from country to country, thereby opening important opportunities which the US could explore selectively and cautiously; and, third, that any change anywhere was not always anti-American, nor was it always the result of Soviet diabolical influence. The rapprochement with China and détente with the Soviet Union are, of course, the most obvious expressions of this new attitude.

Needless to say, such a decline of America's ideological obsession is neither final nor has it proceeded thus far on a straight line. With regard

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to China, the Sino-American relationship finds its limits in the disparity between what each side can do for the other. Or, to put it more explicitly, while there is much that the United States can do for the Chinese, there is still very little the Chinese can concede to the United States—with the possible exception of time: a slowdown of their nuclear efforts (assuming that they ever meant to go any faster than they now are) and a slowdown in their effort to regain Taiwan (assuming that they could do more than they now do).

More complex, however, are the limits of the *détente* between the United States and the Soviet Union which does remain the dominant adversary relationship of the 1970s. For one, while *détente* is based on the recognition by both Washington and Moscow of the status quo in Europe, such acceptance is highly asymmetrical as Moscow's control of events in Eastern Europe is far in excess of Washington's control of events in Western Europe. Indeed, the whole triangular relationship between the United States on the one hand, and the Soviet Union and China on the other, is characterized by the conflicting and contradictory opportunities and expectations which it has produced. Thus, the Chinese criticism of American policy has not been so much that America has not done enough for China—but, indeed, that it has not done enough against the Soviet Union. In other words, the limits of Washington's rapprochement with China reflect Washington's need to preserve *détente* with the Soviet Union as well—and, up to a point, the reverse is true too.

In sum, while adversary relationships no longer respond to ideological divergencies alone, they remain relationships among adversaries nevertheless. It follows that America's response to ideology now takes three different forms depending on its power and influence. Where Communism is firmly entrenched in power—as it is in Russia, China and Eastern Europe—America recognizes it and deals with it in spite of its misgivings over the lack of freedom which generally characterizes such governments. With Communist-leaning governments still facing substantial opposition from a disgruntled middle class—as it was in the case of Chile, for instance—the United States has followed a policy of opposition ('de-stabilization') providing relatively modest direct support to the opposition parties while refusing to assist such governments economically or politically. (Such opposition, it should be noted, has not been based so much on a systematic perception of a Soviet involvement in the growing leftism of the area involved as on a fundamental appraisal of America's economic and strategic interests as well as an assessment of America's political preferences. 'We must outgrow the notion,' pledged Kissinger in May 1975, 'that every setback is a Soviet gain or every problem is caused by Soviet actions.'⁸ Finally, in those cases where

⁸ Speech to the St Louis World Affairs Council, 12 May 1975.

Communism remains in opposition, Washington has continued to oppose it, openly and, at times, unnecessarily loudly, as it is the case in Italy.

Military obsession

The second obsession which has been reassessed by the New Look is of a military nature. Throughout the Cold War years such an obsession was reflected in a continuous and vain search for the preservation of a nuclear hegemony which, on the basis of the most optimistic estimates, could not have lasted more than seven to ten years; and, once hegemony had been ended, the preservation of a nuclear supremacy which would help fulfil James Forrestal's early pledge that there was nothing which the Truman Administration or any subsequent administration in Washington could accept short of 100 per cent security for the American people. Granted such a framework, America's military security would be assured only to the extent that Soviet military insecurity could be maximized. America would negotiate but only from a position of strength. In repeated instances, disarmament conferences faced the problem of neither side willing to make valid concessions until the other side had accepted a position of intrinsic inferiority.

As such, then, Washington went through two phases of military exuberance. First, following the outbreak of the Korean War when the initial atomic build-up took place between 1950 and 1955; and, second, during the Kennedy Administration when, on the basis of fallacious interpretations of Soviet intentions, America undertook a build-up of its missile capabilities which saw its forces grow to over 800 ICBMs by 1964, while Soviet resources during the same period remained inferior to 200.

Robert McNamara described the rationale of such military obsession. 'Security', he wrote in his *The Essence of Security*, 'depends upon assuming a worst plausible case, and having the ability to cope with it. . . Since we could not be certain of Soviet intentions, we had to ensure against [it] . . . by undertaking . . . a major build-up of our own . . . forces.'⁶ The problem with such reasoning is that it leads repeatedly to a self-fulfilling prophecy whereby the adversary actually does what he did not intend to do because of what the other protagonist does on the basis of his own perception of the adversary's action. Thus, the Soviet build-up discovered in Washington in 1960 took place during the second half of the 1960s. In this light, the search for security led to still more insecurity, and the Forrestal pledge of 1946 was paralleled by President Nixon's 1970 acknowledgement of 100 per cent insecurity for the American people.

By accepting such principles as nuclear sufficiency and nuclear parity—however one might want to define these—the Kissinger New Look has

⁶ Robert S. McNamara, *The Essence of Security, Reflections in Office* (New York Harper & Row, 1968), pp 53-8.

given diplomacy a new legitimacy. Undoubtedly, negotiations were held during the Cold War years too. But the seeming objective of all sides engaged in those negotiations remained a maximization of satisfaction which made any agreement unlikely. When taken at face value, such terms as appeasement, Munich, credibility, or domino theory, basic to an analysis of Cold War policies, ultimately ended the search for a balancing of dissatisfaction even before the search could be initiated. If negotiations were to imply concessions, the Munich-minded policy-makers thought, then they would clearly imply appeasement, thus reducing one's credibility, and in the process, opening the gate to either further concessions or to war. Writing in the mid-1960s, Kissinger disputed the relevance of debates in which 'more attention is paid to whether to get to the conference room than to what to do once we arrive there.'¹ At least whether or not the United States should sit in the conference room at all, and whether or not it should sit there now, is no longer a point of contention as it remained for too long a time. Indeed, those in America who have criticized détente, and (or) have criticized the outcome of the various negotiations entered into by the United States over the past years, have been rather timid in their presentation of options. Is roll-back the alternative to détente? Is a further escalation of military expenditures the alternative to SALT? Is confrontation the alternative to co-operation?

Au fond, détente means neither the end nor the continuation of containment. If containment implied the nation's commitment to stopping Russian expansionism, détente merely added a strategy of inducement (primarily economic inducement) to the former strategy of discouragement (primarily military discouragement). If it implied the nation's commitment to halting the spread of Communism, détente certainly abandoned any pretence of roll-back (as symbolized, for instance, at Helsinki), probably reduced the national interest in the ideology of a given government outside America's areas of direct influence (in Asia and in Africa) and, as indicated above, clearly reasserted America's unwillingness to tolerate ideologically hostile governments within areas of direct influence, namely, Latin America and Western Europe. Détente is containment without doctrine (i.e. the Truman Doctrine) and one need not be a warm partisan of Henry Kissinger to appreciate the delicate balance between confrontation and conciliation which has been maintained with the Soviet Union—in admittedly unfavourable circumstances evolving from the perceived decline of American leadership abroad (in the aftermath of Vietnam) and at home (in the aftermath of Watergate).

The end of bipolarity

Finally, the last component of the New Look relates to the end of an obsession with an international system which, it was widely believed,

¹ *American Foreign Policy*, op cit, p 87

would never end. Instead, over the past few years America has been told that bipolarity is now a thing of the past, and that the Cold War system, as it was known between 1945 and 1970, no longer exists. From an academic perspective, this is not much of a novelty; the end of bipolarity had been announced long before Kissinger went to the White House. But from the viewpoint of American policy-makers, as well as from the viewpoint of the American public at large, this is indeed a novelty. Similarly, it is now being widely accepted that such a system was both an accident and an aberration. It was an accident because it implied the coincidental occurrence at a given time in history of two events—on the one hand, the dominant emergence of two nations, the United States and Russia, which had been ascending ever since the 19th century, and, on the other hand, the collapse of the traditional European sources of power, which had been declining for an even longer period of time. Furthermore, the old system was an aberration because of the very manner in which such an inevitable confrontation between the two remaining great powers took place. Seen in retrospect, and freed of the myths which the American and the Soviet ideologies gave birth to, the Cold War was nothing more than a struggle for the hegemony of Europe which extended progressively to the rest of the world. In terms of the objectives sought by the great powers, such a conflict was very much comparable to the other three major conflicts which had taken place over the previous 200 years for the control of the European continent, during the Napoleonic Wars, the First World War and the Second World War. Like such previous conflicts, then, this one too was bound to come to an end. Like such other conflicts, with the end of the Cold War came the need for a restructuring of the international system. Now, as then, the questions faced in building a new structure of peace are questions of membership, objectives and procedures. If nothing else, the precedents of 1815, 1919 and 1945 show that there is more stability in a system which aims at the balancing of dissatisfaction between allies and former enemies alike (as it was sought in Vienna in 1815), than in a system which aims at the maximization of satisfaction for the former allies (as it was sought in Versailles in 1919), or a maximization of dissatisfaction for some of the allies (as it was sought in 1945).

The Nixon-Kissinger-Ford Administration did not create the conditions which are causing such transformations in the international structure. Nor could it, in truth, invent a new structure. But it was in the historical position to reassert the global dominance of two power centres while acknowledging the regional ascendancy of other sources of power and influence, and, accordingly, recognize the emergence of new international issues different from the traditional security issues of the past. This is a role that has been fulfilled rather well especially considering the heavy inheritance of the Vietnam war and the devastating burden of Watergate.

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This new international system calls neither for a balance of power politics as such, nor for the so-called world order politics. The balance between the poles of power needs to be maintained both globally and regionally. At the same time, however, the dispersion of enmity within the system stimulates further the need for diplomatic intervention to preserve a modicum of order around the world either through the pre-emption or through the containment of such conflicts. From this perspective, the attention granted by the American New Look to the Third World and its related non-physical security issues is highly encouraging. That such interest would have been around at a time when the mood of the public favoured retrenchment makes it also quite surprising. Intervention has not been replaced by isolationism, as many foresaw it by the end of the Vietnam war—and shuttle diplomacy has to be seen as a marked improvement over the gunboat diplomacy of previous years.

Most criticism of Kissinger's New Look can be reduced to one common denominator: impatience with the pace of change. Political units have spent a large part of their history negotiating the end to conflict and subversion, the end to economic exploitation and international inequality, the end to arms races of all types. At one's optimistic best, it will still take several decades to transform détente into entente, ideological confrontation into democratic convergence, and limited arms control into disarmament. For foreign policy does not lend itself to instant reversals—yesterday we were bipolar, today we are multipolar; yesterday we intervened to oppose Communist or coalition governments, today we accept, if not encourage, them; yesterday we had troops in a non-nuclear Western Europe, today we no longer have any in a nuclear Western Europe. Those observers who promoted withdrawals of all kinds yesteryear may next year promote a renewed wave of interventionism, if only because of an obvious but forgotten lesson of academic history in this field, which teaches that today's perception of failure may well become tomorrow's acknowledgement of success. In sum, in foreign policy less than in any other field there is no room for heroes—but there is indeed much room for a compassion which Secretaries of State seem to find difficult to receive when the time for retirement comes. As observers continue to add up the mistakes and missed opportunities, should not such compassion be shown towards a Secretary of State who, at the very least, was able to conceptualize some of the adjustments which America needed to make to changed international and domestic circumstances, even if his administrative methods and personal perspectives did not permit him to implement specifically what was envisaged globally? The true challenge of the new foreign policy administration in Washington will be to practice effectively what the previous administration preached convincingly—and let history alone praise and condemn the past.

Human rights protests in Eastern Europe

THOMAS E. HENEGHAN

With the Helsinki Final Act as their text and the Belgrade review conference on the horizon, East European dissenters have turned conditions in their countries into a test of the official Communist commitment to détente.

ONLY months before the Helsinki review conference is scheduled to convene in Belgrade, a wave of human rights protests has spread across the 'Iron Triangle'. In Poland, the Committee for the Defence of the Workers formed after last June's price protests is demanding amnesty for all jailed workers and an investigation into charges of police brutality against the strikers. Early in January, about 300 Czechoslovak citizens issued 'Charter 77', a petition calling on Prague to implement the human rights it guarantees in its laws and international agreements. And in East Germany, more than 100,000 persons have applied for exit visas, citing the Helsinki Final Act as the legal guarantee of their right to emigrate. These developments have all gained momentum since last summer, but there is no sign of co-ordination among them. Rather, international agreements such as the Helsinki Declaration and the growing independence of the Eurocommunists have prompted citizens in these countries to demand in practice the rights their governments guarantee them on paper. The coming Belgrade conference has also been a catalyst, since it will provide an international forum to review, among other things, human rights progress in Europe since Helsinki. In their statements and communiqués, the protesters have been careful to formulate their objections in terms of internationally accepted human rights, thus ensuring that the issues will be raised in Belgrade.

These petitions represent an important shift of tactics for East European protest. Unlike Soviet dissent, which has long had intertwining streams of political, cultural and human rights activists, protests in Eastern Europe have usually concentrated on alternative political programmes and broad appeals for cultural freedom. Instead of calling for an end to the present system of government or a radical overhaul of policy, however, the petitioners are now making the apparently modest request that their countries' laws be enforced. The latter include the standard guarantees of human rights, as well as the Helsinki Final Act

The author is Senior Analyst for Czechoslovakia and Poland at Radio Free Europe, Munich.

and several international human rights agreements which are considered a part of each country's law. Carefully shunning any direct political statements, the petitioners document and publicize actions which they consider violations of these laws. The legalistic focus of these protests presents special problems to the authorities, since it all but excludes the possibility of bringing direct criminal charges against their authors. Because of its non-ideological character, this approach can also attract support from persons of varying political views. And, through the connexion with international agreements and conferences, these protests have a greater chance of attracting attention abroad than the more isolated dissent of the past.

Despite the many similarities these three currents of protest may have, it would be wrong to look only at their common denominator. The Committee for the Defence of the Workers is part of a loose coalition of workers, intellectuals and the Roman Catholic Church, all of whom have been pressuring the Polish Government for change. Although support for Charter 77 has been wider than expected, the group remains essentially as isolated from the rest of the cautious Czechoslovak population as Prague's dissidents have in the past. There are few active dissidents in the GDR, but the unorganized emigration movement is a symptom of the country's continuing difficulty in developing specifically East German loyalties. While international developments have fostered East European human rights protests, the national conditions under which they have developed have been equally influential. They have determined the character of the protests in each country and the measures each Government has taken to counteract them.

Workers' rights in Poland

The recent civil rights drive in Poland began in December 1975. Speaking before the Sixth Party Congress, the party leader, Edward Gierek, proposed several amendments to the Constitution which would have institutionalized the leading role of the party, declared the Polish-Soviet alliance 'unbreakable' and made a citizen's rights dependent upon his fulfilment of his duties towards the state. These proposals were immediately opposed by 59 intellectuals in an open letter to Poland's Parliament, the Sejm; another 400 persons soon joined in the protests. The Catholic Church, fearing that the amendments could provide a legal pretext for future discrimination against believers, expressed its objections in sermons, episcopal letters and private meetings with government officials. The texts finally submitted to the Sejm for ratification were modified to accommodate these expressions of dissent.

The Polish workers who struck in June 1976 did so for economic reasons, but they generated a momentum that went beyond questions of food and prices. On 24 June, the Prime Minister, Piotr Jaroszewicz,

announced price increases which, although economically necessary, were at least twice as high as expected. Worker protests broke out in several cities next day and Jaroszewicz was forced to rescind the price increases that evening. Soon afterwards, 11 intellectuals issued an open letter calling for an 'authentic dialogue' between party and people and a 'broadening of democratic liberties'.¹ The historian Jacek Kuron took this solidarity one step further in mid-July when, in response to the first indictments of striking workers, he appealed to the Italian Communist party leader, Enrico Berlinguer, for help. Kuron reported 'massive repression' against the strikers, including police brutality and widespread dismissals, and said that 'only a general amnesty of all participants in the June demonstrations can arrest the terror against the workers'.² In its unprecedented response, the PCI Central Committee asked Warsaw to show 'moderation and clemency' towards the workers.

In a less public but equally forceful way, the Catholic Church also spoke up against the trials. Protests were delivered privately to the Government in mid-July, but after further trials were held, the bishops realized that their demands were not being heeded and decided to state their views in public. In the communiqué following the episcopal conference of 7 to 9 September, the bishops called on the state to 'fully respect civil rights and conduct a true dialogue with the people'. The workers sentenced after the June protests, the statement continued, should be amnestied. As if to balance the communiqué, the bishops also called on the people to preserve the 'internal peace and order required by the interests of the country'. Almost all Poland's national newspapers printed the latter part of the bishops' communiqué as proof that no tensions existed between Church and State. The amnesty appeal was left out, however, and this only antagonized Church leaders further.

The founding of the Committee for the Defence of the Workers in late September marked a new phase in worker-intellectual solidarity. As the 14 initial members stated, the Committee was formed to provide legal, financial and medical aid to workers subjected to 'repressive measures and physical terror' for their part in the June demonstrations. The authorities, the Committee charged, 'infringed human rights approved by international law and laws binding in Poland, i.e., the right to work, the right to freely express opinions, and the right to participate in meetings and demonstrations'. Therefore, workers who had been sentenced should be amnestied and those who had been dismissed should be reinstated.³ The Committee immediately began collecting and distributing money, sending observers to workers' trials and issuing communiqués with detailed reports on the June unrest, police behaviour and the progress of the workers' trials. According to these communiqués, of which

¹ AFP, 29 June 1976

² ANSA, 19 July 1976.

³ UPI, 29 September 1976

six have appeared so far, the Committee has collected about 2,000,000 zloty, and more than 400 workers and their families have benefited from its efforts.⁴

In comparison to measures taken in other countries, Warsaw's reaction to expressions of dissent has been relatively mild. Several Committee members observing workers' trials have been maltreated, and most of them have been called in for interrogation at least once. There have also been house searches and confiscations. Press articles have denounced the Committee as an anti-Polish group encompassing everything from 'Utopia and Trotsky, Social Democratic odds and ends, and bits of the New Economic Policy to the latest anti-Communist ammunition, a slice of Zionism, and a bite of Christian Democracy' ⁵ But there seem to be no plans to charge the Committee members with such serious crimes as slander of the state or subversion. Several members have been fined on the minor charge of illegally collecting money, but counter-measures have not gone beyond this harassment.

In recent months, the dispute has centred around the Committee's demand for an inquiry into alleged police brutality against the workers. It submitted a parliamentary motion to this effect in mid-November, and Stefan Cardinal Wyszyński seconded the charges in a sermon in early December. When no government action resulted, 28 prominent professors appealed to the Sejm shortly before Christmas for an investigation. A government response came on 5 January, when the Prosecutor-General, Lucjan Czubinski, reported to the Sejm that his office found the brutality charges 'groundless'. This report brought an immediate response from 172 intellectuals, who demanded that the Sejm 'investigate the abuses and tortures the whole country is talking about'. Among the signatories were several prominent personalities who had never before joined in any protest action, and the Government was evidently surprised by the support aroused by the demand for an investigation.

Gierek met this growing discontent halfway when he announced on 3 February that he had suggested that the Council of State consider pardons for jailed workers 'who show contrition and give grounds for hope that they will not violate the law again'. The Council of State accepted this suggestion, and some workers are expected to be released on 1 May or soon thereafter. It also became known that Gierek had assured the chairman of the Polish Writers' Union, Jarosław Iwaszkiewicz, that the authorities would take no measures against writers who had demanded an inquiry into the brutality charges. The proposed pardons were evidently meant to deprive the Committee of its *raison d'être*, but Jacek Kuron, a spokesman for the Committee, said the next day that the group would continue to press for unconditional amnesty for all workers in prison, reinstatement of those dismissed and punishment for police found guilty

⁴ *Die Zeit*, 7 January 1977

⁵ *Zycie Warszawy*, 8 January 1977.

of brutality. The leadership apparently does not want to open the door to a debate on police methods in an authoritarian society, which is what the brutality inquiry could do, but the human rights activists seem intent on pursuing this demand. The logic of the domestic scene might seem to require more official flexibility towards these critics, but international considerations, especially the similar protests in other Eastern European countries, presumably speak for a more orthodox policy, one more co-ordinated with Poland's neighbours. These pressures have put Gierek on the horns of a series of dilemmas and it may be a long time before he finds solutions to them all.

Charter 77 in Czechoslovakia

Perhaps nowhere in Eastern Europe in the 1970s has dissent been so persistent yet so ineffective as in Czechoslovakia. Writers and reformers have issued a steady stream of protest letters since the 1968 invasion, but their isolation from the rest of Czechoslovak society has deprived critics of the influence their Polish colleagues can wield. Because of this isolation, Prague's dissidents have become a political football tossed between the hardline conservative factions of the party leadership. The only regular support they receive is from Western public opinion. But, as the 1972 political trials showed, the hardliners are willing to ignore Prague's international reputation in order to combat 'the threat from the Right'.

By issuing their human rights manifesto, Charter 77, the Czechoslovak dissidents evidently hoped to break out of their ineffective isolation. The document, initially signed by 242 persons and later supported by about 250 more, represents, in its own words, 'a free, informal, and open association of people of various convictions'. It is not, the movement's first communiqué continued, 'a basis for political opposition'.^{*} Rather, the group intends to work for the full implementation of existing Czechoslovak human rights laws, especially the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Both these international agreements were signed by Czechoslovakia in 1968, were reconfirmed at the Helsinki summit in 1975 and became law in March 1976. In carefully documented legal arguments, the manifesto charges the Czechoslovak Government with having violated a wide spectrum of legally guaranteed rights. In conclusion, the manifesto's signatories indicate that 'similar citizens' initiatives in East and West' had provided the model for Charter 77, while the upcoming Belgrade conference and Amnesty International's 'Prisoner of Conscience Year' campaign had influenced its timing.

Official reaction was prompt. After the text of the manifesto appeared in several Western European newspapers on 7 January, six of the group were taken in for police interrogation. They were soon released, but then

^{*} *The Times*, 7 January 1977

called back to Ruzyne Prison along with other prominent signatories for almost daily interrogation. At these hearings, the police asked Charter 77 supporters to testify as witnesses, thereby depriving them of the right, which an accused person possesses, to refuse testimony. The press mounted a virulent campaign against Charter 77, calling it 'an anti-state, anti-socialist, anti-popular and demagogical rag' written by representatives of 'the bankrupt Czechoslovak reactionary bourgeoisie . . . on orders from anti-Communist and Zionist headquarters'.⁷ As the harassment campaign widened, the telephones of some Charter 77 supporters were cut 'in the public interest' and several drivers' licences were taken away. During one house search, even texts on human rights from the Czechoslovak Collection of Laws were confiscated.

Prague's campaign against Charter 77 escalated in mid-January when the official news agency announced that four men had been arrested and accused of 'serious crimes against the foundations of the republic'.⁸ The accusations, apparently based on a section of the Penal Code dealing with subversion and high treason, were the first serious legal steps taken against human rights dissenters in Eastern Europe and might possibly lead to political trials which could reap a whirlwind of criticism from the West. The fact that two of the accused are of Jewish origin suggests that Prague intends to build its legal case not on the issue of Charter 77 itself, but rather around accusations of the accused men's subversive activities on behalf of so-called Zionist and imperialist interests.

'If we thought the Charter would lead to repression,' one Charter supporter said in an interview, 'we would not have produced it.'⁹ The comment sounds almost naive, but it actually says much about the present situation in Prague. The pressure for more liberties has given the party leader, Gustav Husak, who has tried to take a low-profile approach to dissent, an advantage in party squabbles, since, he could argue, harsher measures would only increase the vehemence of the protests and attract hostility from the West. The party leader was inclined to let the occasional storms of protest blow over Prague and evaporate. But when the intellectuals produced a far more effective and embarrassing form of protest, one which conjured up the spectre of 'socialism with a human face', the hardliners within the Prague leadership won the upper hand.

The vehemence of the press campaign and the arrest of four Charter 77 supporters were measures not seen in Prague for years. In late January, it even looked as if some critics would be deported to Austria; Austrian Chancellor Bruno Kreisky had offered Charter 77 supporters asylum in his country, and the Czechoslovak Ambassador in Vienna appeared at the Foreign Ministry soon afterward with a list of eight prominent human rights activists to reconfirm Austria's willingness to grant these persons

⁷ *Rude Pravo*, 12 January 1977.

⁸ Ceteka, 17 January 1977.

⁹ *Washington Post*, 21 January 1977.

asylum. This threat passed and the press campaign calmed; Prague seemed to switch to more legalistic arguments against the Charter. The hard line prevails, however, and that means the possibility of trials still exists.

Political trials would compound the basic mistake the party leadership has already made. By attacking the Charter 77 group so vehemently, Prague has drawn wide international attention to the state of human rights in Czechoslovakia. The first statement on human rights that the new Administration in Washington made was on the Charter 77 issue. Many Western European politicians and governments have criticized Prague for its human rights stand, and the Communist parties of Italy, France, Spain, Great Britain, Sweden, Denmark, Belgium, Greece (Interior) and Japan have denounced the repression against Charter 77. Protests have also come from Eastern Europe. In late January, 34 Hungarian intellectuals expressed support for Charter 77. This statement was followed by solidarity declarations from the Committee for the Defence of the Workers in Poland, dissidents Andrei Sakharov in the Soviet Union and Milovan Djilas in Yugoslavia, and individual writers in Poland and Rumania. In addition, both Czechoslovak dissidents and Western European leftists have pressed the Eurocommunist parties to make a radical critique of the Soviet style of Communism. Recent articles in the Italian Communist press indicate that similar pressure is coming from within the PCI.¹⁰ The present flurry of protests has been an embarrassing test for the orthodox Communists, and a thorough Eurocommunist critique of Soviet Communism, which could be sparked off by further repression in Czechoslovakia, could lead to intra-party disputes and possibly schism. It remains to be seen whether other Eastern European leaders will convince Prague hardliners that this is far too high a price to pay.

Emigration from East Germany

The scope of protest in the German Democratic Republic is both narrower and wider than in Poland and Czechoslovakia. The number of active dissidents is small. Only two—the ballad writer and singer Wolf Biermann and Professor Robert Havemann—can be considered prominent, and Biermann has been in exile and Havemann under house arrest since November. On the other hand, more than 100,000 persons have reportedly applied for exit visas since the Helsinki summit took place. The trend, although unorganized, grew steadily stronger through 1976. Recent measures by the authorities slowed the pace of applications, but the basic problem remains.

Biermann was stripped of his citizenship while on his first concert tour of West Germany in 11 years. The poet and singer, who since 1965 had

¹⁰ See *l'Unità*, 29 December 1976, and *Rinascita*, 14 January 1977.

been forbidden to perform or publish in the GDR, is one of the most vocal critics of SED policies, although he has remained a committed Communist. As a talented performer, Biermann was popular with German youth in both East and West and able to attract an international attention disproportionate to the real strength of East German dissent itself. In late November, 12 intellectuals took the—for East Germany—unprecedented step of writing a protest letter to the Government. While they did not agree with 'Biermann's every word and every act', they protested against his expatriation and requested 'that the measures taken be reconsidered'. The list of initial signatories included many of the most prominent cultural figures in East Germany, and more were among the 100 or so persons who subsequently added their names to the protest.¹¹ In a separate statement, Professor Havemann, who was expelled from both party and university in 1964, sharply criticized the Government's action and repeated Biermann's call for general elections, freedoms of press and assembly and the free competition of ideas.

After several such statements to Western media Havemann was put under house arrest. About 50 persons were reportedly arrested for signing petitions against the Biermann expatriation, and a number of young persons in East Berlin and Jena have apparently been dismissed for doing the same. Six of the more prominent writers have been expelled from the Writers' Union.¹² In the first few days of the Government's campaign against the protests, the party organ *Neues Deutschland* printed several pages of statements from prominent cultural figures supporting the Government's policy. The campaign quickly ended, however, when a certain Brechtian vagueness in many of these expressions of 'support' suggested that deeper discontent existed among the cream of the GDR's cultural élite.

The growing number of exit visa applications may in the long run be even more worrying to East Berlin than the protests against Biermann's expatriation. More than 100,000 persons are reported to have applied for permission to emigrate since mid-1975, and the trend seems to be continuing. The applicants are occasionally organized—in one town, 79 persons applied as a group to be 'discharged' from East German citizenship—but most seem to be acting individually. They cite the Helsinki Final Act and the Universal Declaration of Human Rights as the guarantee of their right to emigrate. In an attempt to reduce the number of visa applications, East Berlin announced late in December that only genuine cases of family reunification would be processed in future. In early January, East German guards appeared for two days in front of the West German Permanent Mission in East Berlin to bar East Germans from seeking legal advice on emigration. After strong protests from

¹¹ See *Deutschland Archiv*, December 1976.

¹² *Sueddeutsche Zeitung*, 15/16 January 1977, and Reuter, 13 January 1977.

Bonn, the guards were removed, and the citizens resumed their visits.

The Protestant Church has also called for greater freedoms in recent months. The growing tensions between Church and State became most apparent in August, when Pastor Oskar Bruesewitz immolated himself in protest against what he called official repression of youth and discrimination against Christians. In their reaction, Church leaders did not condone the pastor's 'desperate act', but confessed that it dramatized the 'deep cleft' which had grown between the laity and the episcopate. At another synod one month later, the episcopate called for a 'discussion on principles' with the East German authorities. Interestingly enough, September was also the month in which the Protestant Church in Prenzlau played host to Biermann's first East German concert in 11 years. Afterwards, Biermann made some surprisingly outspoken remarks about the emerging 'red church'.¹² In response, an official Catholic magazine charged that Churches in the GDR were trying to undermine the 'all-round loyalty to the GDR and its policies' that constitutes the basis of Church-State relations.¹⁴

As the wave of exit visa applications shows, the lack of an 'all-round loyalty to the GDR' is a persistent problem for the party leadership. Specifically East German sentiments have been slow to develop, and the rise in West German tourism in the GDR since the Basic Treaty of 1972¹⁵ has given East Germans more opportunity to compare their lives with those of their cousins in the West. Furthermore, West German radio and television can be received in most of the GDR, and, since 1974, West German correspondents have been working in East Berlin and providing East Germans with a different slant on their own domestic affairs. Because of these ties, the GDR was probably highly susceptible to Helsinki-related demands. The movement which has resulted from the Final Act's sections on emigration is probably the most widespread of its type in Eastern Europe, and it will be extremely difficult for the Government to counter without first solving the 'German question' itself.

Catalysts and countermeasures

For Westerners who wrote off the Helsinki Final Act as a meaningless piece of paper, it must be surprising to see how much emphasis the East European human rights activists have put on it. Many sceptics denounced the agreement as conferring official Western approval on Soviet domination of Eastern Europe, and the majority of commentaries written a year after the summit complained that Helsinki had had no effect on the East. But these critics overlooked one important point which the East European groups have now seized upon. Unsatisfactory though they may be,

¹² *Der Spiegel*, 20 September 1976.

¹⁴ AFP, 24 November 1976.

¹⁵ See Hilary Black, 'The East-West German treaty', *The World Today*, December 1972, and Peter Bender, 'The special relationship of the two German States', *ibid*, September 1973.

the principles contained in the Final Act represent—at least on paper—the first pan-European consensus on what 'détente' means and what practical benefits it should bring. All the participants pledged themselves to implement these principles and to reconvene two years later to review the progress made in this respect. With a text in their hands and Belgrade on the horizon, domestic critics were given an opportunity to charge their governments with specific human rights violations and felt entitled to look for support for their views from other participants in the follow-up conference. By widening the issue in this way, they were able to turn domestic developments into tests of their countries' practical commitment to the view of détente they adopted in Helsinki.

The critics were also able to count on support from the Eurocommunists. As the Italian, Spanish and French Communist Parties have increasingly emphasized their policies of national roads to Communism and support for civil rights, they have become increasingly critical of the restrictive measures prevalent in Eastern Europe. Seen through the eyes of civil rights advocates in that region, the Eurocommunists' speeches at the European Communist Parties' Conference in East Berlin last June¹⁸ proved their commitment to these ideals in word, and the PCI's prompt reply to Kuron's letter coupled with the PCF's agitation for the release of Soviet dissident Leonid Plyushch did so in deed. This 'fraternal assistance' from the Eurocommunists posed a significant dilemma for the East European Governments, because they could not simply denounce prominent Italian and French Communists as agents of imperialism. And they could not move too strongly against their domestic critics without provoking Eurocommunist criticisms which could lead to a dispute capable of shaking the already fragile unity of the Communist movement. If, for domestic or intra-party reasons, the Eurocommunist parties decide to draw a sharp dividing line between their policies and those followed in Eastern Europe, a major dispute, as stated above, could result. This is another dilemma the civil rights activists recognized and decided to exploit.

The prospects for human rights protests in Eastern Europe are as diverse as the countries in which they have appeared. In Poland, the campaign for workers' rights is only part of a larger framework of tension between party and people which occasionally leads to a destabilization, if not change, of the leadership. While the Helsinki principles and the Belgrade conference are convenient aids for the protesters, their importance is second to that of the loose coalitions of interests which can form in Polish society to pressure the leadership for change. Because of this factor, Polish protests will probably continue through the months leading up to Belgrade, and last as long as the domestic momentum allows. Deve-

¹⁸ See Milorad Popov, "Eurocommunism" and the pan-European conference', *The World Today*, October 1976.

lopments in the GDR have a similar, though less powerful, domestic motor. A significant number of East Germans would like to emigrate to the Federal Republic, and détente, Helsinki and Bonn's *Ostpolitik* have made the way somewhat easier for them. Since the exit visa movement is unorganized, it is difficult for the East Berlin leadership to counter it effectively. The 'German question' is the real problem. With no short-term solution to that in sight, East Berlin will probably be confronted with the emigration issue as long as some sort of détente exists. Only in Czechoslovakia does the Belgrade conference seem crucial for the prospects for human rights protest. In the years since the 1968 invasion, Czechoslovak dissidents have issued approximately 120 separate letters of protest against their Government's policies. Some of these letters, such as Zdenek Mlynar's critique of normalization drawn up for the European Communist Conference last June, aroused considerable hope in the small community of protesters in Prague. But none of these protests has been able to effect significant changes in Czechoslovak policy. Charter 77 was designed to make the best use of the opportunities for international pressure which Belgrade provides, and the human rights activists seem intent on keeping their issue alive until then. But if this skilful appeal to international opinion still brings no changes in Prague, the human rights movement could end up even weaker than when it began the Charter campaign.

With Belgrade in mind, the East European Governments seem to have decided that the best defence is a good offence. Prague, in denouncing Charter 77, has been linking its critics with alleged Western espionage against Czechoslovakia. In Warsaw, similar hints have been dropped, but the media have put more emphasis on the minor illegal acts such as unauthorized fund raising in which the Committee for the Defence of the Workers has been engaged. The East German press has long concentrated on West German restrictions on radicals in the civil service (*Berufsverbot*) and this, as well as the recently publicized catalogue of alleged 'attacks and provocations' on the GDR mission in Bonn, will presumably be on East Berlin's list in Belgrade. For its part, the Soviet press has recently given space to a wide array of charges, ranging from racial discrimination in the United States to the Agee and Hosenball cases in Britain. Representatives of both East and West have said that the Belgrade discussions must not be drowned in polemics, but neither seems to be heeding its own advice. The human rights protesters have issued their call, and both sides are apparently preparing themselves for the battle.

Rhodesia: the road from Luanda to Geneva

ELAINE WINDRICH

THE reopening of negotiations to resolve the Rhodesian independence conflict, the seventh major attempt since 1965, was brought about by external factors only marginally related to the main issue in the dispute. During the decade following the illegal declaration of independence (UDI), most of the world community had remained aloof from the problem, regarding it as Britain's sole responsibility. However, the sudden collapse of the Portuguese empire in 1974 left a power vacuum in the area of southern Africa into which other states proceeded to move in search of spheres of influence. Rhodesia, at first peripheral to this manoeuvre, became the centre of it after Soviet and Cuban intervention in the civil war in Angola had resulted in a victory for the MPLA forces over the rival factions supported by South Africa, the USA and (in the earlier stages) China.

Thus the road to Geneva began in Luanda, since the alternative for Rhodesia had become a negotiated settlement or a protracted civil war, with a possible Angolan solution. But it also began in Washington, since this was election year in America, and an Administration that had met with a humiliating setback in Angola would be seeking a 'victory' elsewhere in southern Africa in order to redress the balance. In addition, for the American Government to be seen to be on the side of the black majority in the Rhodesian conflict, after their alignment with 'white' South Africa in Angola, was an image that would go down well with the black vote at home as well as the black states in Africa. There was also the challenge, for the US Secretary of State, of bringing off a final diplomatic coup to mark the end of his term of office, especially one that required the settlement of a dispute that had eluded all previous attempts at solution. Whatever influence might have been exerted from London at the beginning of the enterprise became increasingly circumscribed by Britain's overriding concern with her economic crisis, which was to culminate in an appeal to the International Monetary Fund (in effect to the United States) for massive financial assistance. Before this occurred, however, there was an election in Britain as well, and Mr James Callaghan's campaign to succeed Mr Harold Wilson as party leader and Prime Minister coincided in time with the first British proposal for a Rhodesian settlement on the basis of a rapid transition to black majority rule.

Dr Windrich is a Visiting Scholar at Stanford University; author of *The Rhodesian Problem, 1929-1973* (London: Routledge and Kegan Paul, 1975); and *The British Labour Party's Foreign Policy* (Stanford UP/London: OUP, 1952, Greenwood Press, 1971). This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik GmbH, Bonn.

In view of all the abortive efforts to negotiate a Rhodesian independence agreement, the prospects for the success of the conference convened in Geneva for that purpose were never encouraging. The British had tried for over a decade to settle the conflict, but the dilemma they faced was that in Rhodesia they had 'responsibility without power'. They had either to accept the situation prevailing in their 'self-governing' colony, which meant condoning a racially segregated society as a basis for independence, or intervene to alter it. Unable, or unwilling, to do either, they opted instead for a compromise that would paper over the more apparent differences between the two sides but leave the fundamental ones unchanged. The quest for such a solution was evident from the various settlement schemes put forward by the British (the pre-UDI offers, the *Tiger* and *Fearless* proposals, the Home-Smith agreement of 1971), all of which conceded independence on the basis of white minority rule, but provided a facade of respectability by allowing for token African political participation.

Reliance on economic sanctions to bring about the downfall of the rebel régime, or at least make it more amenable to an agreement, was also a part of that compromise. But just as Britain would not use force to impose a constitutional settlement in Rhodesia, so she would not challenge the main sources of support for the rebels. Consequently, the solution which she sought was never within the realm of the possible: first, because South Africa and Portugal continued to violate the sanctions; and, secondly, because the Rhodesian Front, assured of external support to sustain its rebellion, could afford to hold out against any independence terms that would inhibit its progression towards 'separate development' or full-scale apartheid.

After the failure of successive attempts to reach an independence agreement, the British finally conceded, in 1972, that a settlement acceptable to both sides in Rhodesia was not within their power to achieve. The Rhodesian Front refused to envisage the prospect of majority rule; the Africans would consent to nothing less. The alternative for Britain, having ruled out the use of force, was to stand aside while the Rhodesians settled their own differences, or while others, with more power in the area, intervened to ensure that they did.

Abortive constitutional talks

The possibility that a settlement would emerge within Rhodesia was, however, even more remote. While the British had been unable to effect any change in their own colony, the Africans had to pursue the same objective while subject to the jurisdiction of a police state. Although the African National Council (ANC), which had been established in 1971 under the chairmanship of Bishop Abel Muzorewa to mobilize African opposition to the Home-Smith agreement, continued to operate as a

'legal' organization, it led a precarious existence, since its membership included supporters of the banned Zimbabwe African People's Union (Zapu) and the Zimbabwe African National Union (Zanu). Throughout the talks between the ANC and the Smith régime, which proceeded for over a year, the ANC was continually subjected to harassment and its members detained or restricted. When the breakdown finally occurred, in June 1974, the ANC was committed to armed struggle as the only means of achieving its goal of African majority rule.

In these circumstances, which coincided with the collapse of the Portuguese empire in Africa, the possibility that the guerrilla war in Rhodesia would be extended beyond her borders to a general conflagration in southern Africa prompted the neighbouring countries to intervene. Thus the stage was set for the first round of the diplomacy of détente,¹ involving South Africa, which had military forces in Rhodesia, and the 'front-line' African states (Zambia, Tanzania, Botswana and Mozambique), which were supporting the guerrillas. Although the pressures exerted by the détente partners succeeded in securing the release of the detained Zapu and Zanu leadership (including the Zapu President, Mr Joshua Nkomo, and the rival Zanu leaders, Rev. Ndabaningi Sithole and Mr Robert Mugabe), the incorporation of these disparate elements in an enlarged ANC led by Bishop Muzorewa was to prove an illusory achievement. In addition, while the détente efforts had been directed towards bringing the ANC and the Smith régime back into negotiations, the constitutional talks which eventually opened in Salisbury in December 1975 (after a false start at Victoria Falls bridge in August) were to end three months later in complete deadlock.

Before these talks had even got under way, however, the ANC had split over the issue of leadership, with one faction led by Mr Nkomo and the other by Bishop Muzorewa; the South Africans had invaded Angola; and the front-line African states had divided over their support for the rival wings of the ANC and their alignment with opposing forces in the Angolan civil war. As a result of this disarray, the diplomatic leverage which the détente states might have exercised on the Rhodesian contestants was compromised by their being at odds with one another. The failure of the constitutional negotiations was therefore inevitable, since the Rhodesian Front remained unwilling to yield on the principle of majority rule and no external pressure was available to alter the situation.

At the end of the conference, on 19 March 1976, Mr Nkomo, who had led his ANC faction in the proceedings, was obliged to concede, as the rival Muzorewa wing had recognized in advance, that any further talks with the Smith régime would be irrelevant. Although Mr Smith confirmed this conclusion when he told a Press conference two days later that

¹ See Elaine Windrich, 'Rhodesia: the challenge to détente', *The World Today*, September 1975

he did not believe in majority rule, 'not in a thousand years', he did not abandon the possibility of reopening negotiations. While blaming the British Government for having 'bedevilled the local scene' by advising the ANC on what it should or should not accept, he nevertheless appealed to it to exercise the responsibility it claimed to retain by actively assisting in a resolution of the constitutional impasse.

The British proposals

The British Government's role, as the negotiations proceeded, was to remain an interested, but detached, party. Although committed to convene a constitutional conference, it had not done so, according to the Foreign Secretary, Mr Callaghan, because the conditions for a settlement had not yet been established. For those conditions to exist, the Europeans would have to recognize that their choice was ultimate defeat, however long delayed, or the chance of a multi-racial society in which the Africans played the major part in government. The Africans, too, were warned to observe the message of the 1960s: unless they could subordinate their differences and restore unity in their ranks, the achievement of the goal they sought would be immeasurably difficult to attain.

Although there was no evidence, by March 1976, that Mr Callaghan's conditions for British intervention had been met, he nevertheless responded to Mr Smith's appeal to assist in resolving the conflict. But the solution which he proposed—a transition to African majority rule over a period of eighteen months to two years and the negotiation of an independence constitution implementing majority rule—was basically what the ANC had advocated and the Smith régime rejected during the preceding three months of negotiations. In announcing the offer in Parliament on 22 March, Mr Callaghan showed an awareness of this dilemma by admitting that the British Government was in no position to impose such a solution. Instead, it was aiming to fulfil its legal and moral responsibility by putting forward proposals for others to consider, those who had more power in the area than it did. If those proposals were taken up by the parties concerned, then Britain would be willing to contribute financial and other assistance to ensure a background in which both racial communities could live and work together in an independent Rhodesia. In a settlement achieved along these lines, he was confident that agreement would follow on a cessation of guerrilla activities and an approach to the United Nations to lift sanctions.

The timing of Mr Callaghan's proposals (which also came during his campaign for the Labour party leadership) was not unrelated to the diplomatic efforts that were then proceeding among the Americans, the Zambians and the South Africans in the aftermath of the Angolan civil war, and to the developments that were taking place in southern Africa itself. The front-line African states had already begun to prepare for an

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nsification of the guerrilla war, since it had become evident long ore the actual breakdown of the negotiations that they were not likely yield any results acceptable to the Africans. One of those states, ambique, had taken the decision, on 3 March 1976, to close its lers to all traffic with Rhodesia, thus cutting off that country's access e Indian Ocean ports of Beira and Maputo. Although the Rhodesians begun to divert their traffic to South African ports after the Frelimo over, an estimated 25-30 per cent of their trade was still dependent on routes through Mozambique. While the Frelimo Government had declared a state of war, the border closure was undertaken in retaliation for the raids by Rhodesian forces in 'hot pursuit' of guerrillas operating from bases in Mozambique. An intensification of the war from those s could therefore be expected, particularly after the establishment in ambique of a unified high command of the Zimbabwe People's y (Zipa).

another factor influencing Mr Callaghan's proposals for a settlement the continuing presence of Cuban forces in Angola and the possibility of their being deployed for a similar purpose in Rhodesia. In the week that he had made his announcement of the terms for majority the Foreign Secretary had summoned the Soviet Ambassador in don on three occasions to express Britain's concern about the danger war in southern Africa arising from the stationing of foreign troops at area, a warning repeated to the Foreign Minister, Mr Gromyko, when he arrived for an official visit the following week. Although there was no evidence of foreign troops engaged in the Rhodesian war (except the mercenaries recruited by the Smith régime), the main source of and training for the guerrillas continued to be the Soviet Union, ern Europe, Cuba and China. This had been the case for over a de, since no military assistance was available from the West. However, the large-scale intrusion of outside troops in the Angolan civil war set a precedent, and one which could be repeated to turn the tide in Rhodesian conflict.

Diplomatic offensive

revival of the diplomatic efforts initiated by Zambia and South a in 1974, but abandoned after the abortive Victoria Falls conference he South African invasion of Angola, was the immediate outcome of heat of an Angolan solution in Rhodesia. This time, however, the ng participant in the exercise was the United States, which had presly stood aside from the Rhodesian conflict (other than to import me from the rebel régime) but had been brought in by the prospect ovet competition for influence in the area of southern Africa. The object of the diplomatic offensive, the Rhodesians, now faced the ibility of an invasion from foreign forces which they could not con-

tain without outside assistance. Although South Africa remained their only source of support since the closure of the border with Mozambique, it was not likely that that country would risk another military encounter with the Cubans after the disastrous intervention in Angola and the ensuing setback to its policy of détente with black Africa. In these conditions of virtual isolation, the only choice for the régime was to concede to the growing international demand for African majority rule or face the consequences of an unwinnable war. Although these alternatives had been clearly set out in Mr Callaghan's proposals for a settlement, they were nevertheless rejected by Mr Smith as 'no less extreme than those of the ANC'.¹ However, while the British might make use of the threat of a Cuban invasion to bring about a Rhodesian surrender to the inevitability of black rule, the Smith régime remained confident that if that threat became a reality, the Western powers would intervene to defend it against 'Communism'.

Any remaining illusions the régime might have retained about Western intentions regarding its survival ought to have been dispelled by the unqualified commitment to African majority rule announced by the US Secretary of State, Dr Kissinger, in Lusaka on 27 April 1976, during his first official visit to black Africa. While pledging support for the British initiative, he also took the opportunity to warn all outside powers against interfering in Africa's internal affairs. How the American Government would implement its new policy over the objections of the rebel régime was not revealed, but a firm endorsement of the Lusaka Manifesto of 1969 on the liberation of southern Africa, as well as the Callaghan proposals, and a pledge to consult closely with the front-line African Presidents were indications that it was committed to obtaining a settlement that would preclude the possibility of outside military intervention. While Dr Kissinger offered the Europeans an assurance of financial security and the protection of minority rights in an independent Zimbabwe, he also made it clear that the régime could not expect any American support, either in diplomacy or in material help, at any stage in its conflict with African states or African liberation movements. On the contrary, it would face America's unrelenting opposition until a negotiated settlement was achieved.

With Dr Kissinger's own intervention in the dispute, 'shuttle diplomacy' rapidly replaced the more conventional methods of the earlier détente. Having first consulted the black African states, particularly Zambia and Tanzania, the way was cleared for his talks with the other main party concerned, South Africa, which were held first in Bavaria on 23 June and then in Zurich on 4 September, both against a background of violent racial clashes in Mr Vorster's own country. Again, as in the case of the earlier détente effort, South Africa was the main source of

¹ *Daily Telegraph*, 24 March 1976.

influence with the Smith régime, since she remained their vital life-line with the world outside. What South Africa could look for in exchange for her co-operation towards a settlement were an American commitment of defence against Soviet expansion in the area, the prestige attached to association with the 'free world' coalition and a respite from United Nations pressure for the extension of sanctions to South Africa herself, particularly if concessions were not forthcoming on the independence of Namibia and reforms of the apartheid system prevailing within the country.

Although the Kissinger-Vorster talks were conducted in secrecy, South Africa's acceptance of majority rule as the basis for Rhodesian independence had been announced by her Foreign Minister, Dr Hilgard Muller, a month before the Zurich meeting. What was less certain, however, was whether Mr Vorster would be prepared to exert sufficient pressure on Mr Smith to bring him around to accepting majority rule. Thus far, he had taken the diplomatically correct line that South Africa did not engage in boycotts of other countries nor intervene in their internal affairs. As he put it, they could point out alternatives, they could point out realities, they could advise; but that was as far as they had gone in the past and that was as far as they were prepared to go in the future. Whatever he may have told Dr Kissinger, at the Zurich talks, regarding his influence with Mr Smith, it was sufficiently encouraging for the American Secretary of State to return to Africa the following week to continue the series of meetings he had begun the previous April. Before setting out, however, he first conferred with Mr Callaghan, now Prime Minister, and the new Foreign Secretary, Mr Anthony Crosland; and his deputy in the State Department, Mr William Schaufele, consulted the African Presidents, who had been meeting in Dar es Salaam, on the prospects for a round of shuttle diplomacy.

The Kissinger 'package'

There was little optimism from any quarter regarding the Kissinger peace mission when it began, on his own initiative, on 14 September, with a meeting in Tanzania with President Nyerere. It ended just ten days later with the announcement of agreement by Mr Smith, who had been brought into the talks in Pretoria between Dr Kissinger and Mr Vorster. To have obtained the Rhodesian leader's consent to a two-year transition to majority rule, after he had repeatedly declared that it would never come in his life-time, appeared to be a major breakthrough towards a settlement. Mr Smith, however, in his broadcast speech of acceptance, had specified that he agreed to majority rule provided that it was 'responsible' rule. As he later defined his position, at a Press conference in Salisbury on 5 November, he did not 'find anything about majority rule in the five principles' of the Kissinger package. Nevertheless, he

could go along with African majority rule, according to his definition, because he was 'an African, the same as the majority of whites who live in this part of the world'.³

In addition to this semantic camouflage the US Under-Secretary of State, Mr William Rogers, revealed on 27 September that the US had not specifically cleared with the African Presidents the five-point Kissinger offer to Mr Smith. It was their understanding, and this was confirmed by President Nyerere at a Press conference on 21 September, that he would put to Mr Smith the conditions laid down by Mr Callaghan the previous March. But Dr Kissinger was obviously aware of the fate of the original British plan when he offered a variation that would be acceptable to the Smith régime. Although the proposals were subsequently regarded as 'Anglo-American', there was no indication of what contribution, if any, Britain had made to their revision. Mr Smith had certainly made it clear, two days before he met Dr Kissinger, that if the Americans were not prepared to go outside the Callaghan offer there would be no chance for a settlement. And Dr Kissinger, by agreeing to meet Mr Smith in these circumstances, had abandoned his initial stand that he would not talk to the Rhodesian leader unless the British terms were accepted in advance.⁴ By the time they met in Pretoria on 19 September, an official American spokesman had announced that the Americans might ask the British to alter their plan;⁵ and a correspondent in South Africa had reported that Dr Kissinger was confident that the British Prime Minister would agree to 'a softer line on the Rhodesian issue'.⁶ At the conclusion of the talks, Dr Kissinger claimed that, while Mr Smith had accepted certain proposals made by himself, they had been made with the agreement of the American and British Governments.

What those proposals contained, however, was not revealed by either Dr Kissinger or the British Government. Instead, it was left to Mr Smith to announce to the world the agreement he had accepted. As his party chairman, Mr Desmond Frost, put it, he (Mr Smith) 'clarified certain garbled versions of Dr Kissinger's package'. From this clarification, it was evident that the most significant departure from the original British offer was the provision of a framework for the transitional government leading to majority rule. That government, according to Mr Smith's interpretation, would be dominated by the white minority, which would hold the key posts of chairman of the 'supreme' Council of State and the portfolios of Defence and Law and Order. Although the Council of Ministers (appointed by the Council of State) would have an African majority and an African 'First Minister', its decisions would be taken by

³ *The Times*, 6 November 1976

⁴ *The Observer*, 19 September 1976, *The Times*, 20 September 1976

⁵ Radio Johannesburg, 19 September 1976, BBC, *Summary of World Broadcasts*, ME/5316/11

⁶ Radio Salisbury, 19 September, *ibid*, ME/5317/11

a two-thirds majority, which would enable the white membership to obstruct the transition to black rule. In effect, the whites would have a double veto, since the Council of State, which was entrusted with the vital task of directing the procedure for establishing an independence constitution, would operate on the same basis.

Not unexpectedly, the terms of the agreement, as set out by Mr Smith on 24 September, were denounced by the front-line African Presidents, in a joint statement in Lusaka two days later, as 'tantamount to legalizing the colonialist and racist structures of power'. In their view, and also that of the black Rhodesian nationalists who similarly condemned the plan, any details relating to the functions and powers of the transitional government should be decided by a conference of 'the authentic and legitimate representatives of the people of Zimbabwe'. Although the Africans had rejected these conditions, there was no finality in a statement which also called upon the British Government to convene a conference which would establish a transitional government reflecting majority rule and prepare for a full constitutional conference to work out the independence constitution. So far as they were concerned, Mr Smith was still committed to the principle of majority rule in two years' time, whatever his interpretation of the means of achieving it, and they intended to hold him to a pledge underwritten by his South African protectors as well as by Britain and the United States.

The British, who had remained understandably sceptical about a settlement emerging from the shuttle diplomacy concerning their colony, were now faced with the dilemma of either responding to the African appeal to convene a conference or allowing what progress had been recorded on the principle of majority rule to go by default. To intervene at this stage, however, was not a policy they would have initiated. Their position all along had been that a conference should be convened only after a firm agreement on majority rule had been reached; and they had ample grounds for suspecting that it had not. They had negotiated with Mr Smith before, only to find that on each occasion he turned his acceptance into a rejection by reneging on the commitments he had made. In view of this record, it was possible that he had agreed this time because he was convinced that the Africans would never consent to a scheme that permitted the white minority to control the transitional government leading to majority rule. By accepting the plan, however, he could use their rejection as an excuse for abandoning his commitment to implement majority rule.

The Geneva conference

Thus, with Mr Smith maintaining that the Kissinger package was 'non-negotiable' and the Africans united in their determination to alter it, negotiations on the basis of those proposals were not likely to yield an

agreement. Nevertheless, Britain convened a conference, in Geneva on 28 October, and appointed its representative to the United Nations, Mr Ivor Richard, as chairman. Although Mr Richard (a former MP) was elevated to Cabinet rank to convey the importance of the occasion, his function at the conference was limited to that of a moderator. In that role, however, he was left with virtually nothing to negotiate about, since the Smith delegation would not even consider either sacrificing their control of the transitional government which the Kissinger plan gave them or permitting a British presence in Rhodesia during the transition. In addition, Mr Richard was obliged to confer with four rival African delegations, which were led, respectively, by Bishop Muzorewa, the Rev. Sithole, Mr Nkomo and Mr Mugabe, the latter two having combined their forces in a Patriotic Front representing most of the former Zapu-Zanu members and their guerrilla supporters. While there were no significant policy differences among the African delegations, with all committed to independence in twelve months, a transitional government reflecting majority rule and a British presence to ensure that it would be achieved, they remained divided by their rivalry for the leadership of an independent Zimbabwe. Since elections to determine their respective support among the African population (the Muzorewa proposal) were a non-starter in a police state, the claims of the rival contenders remained unresolved. However, the balance had already swung towards the Patriotic Front, which had command of the guerrillas and the backing of the front-line states.

In these circumstances, the British Government's position that the Rhodesian conflict could only be settled by the Rhodesians themselves was at best an irrelevance, at worst an invitation to civil war. At the end of seven weeks of fruitless negotiations, the only point on which all parties concurred was that no agreement had been possible. Although a declaration of intent to continue the talks was approved, there was little hope that a second round would yield any different results from the first. During the interval, however, the shuttle diplomacy would be resumed, this time with Mr Richard following in the footsteps of Dr Kissinger.

Although the purpose of the Richard mission was to assure the Africans that majority rule would be achieved without obstruction and the Europeans that the process would be peaceful and orderly, the British initiative was subject to the same limitations as the Callaghan offer which preceded it. Unless the Smith régime agreed to a British presence in Rhodesia during the transition period, and Mr Smith confirmed his rejection in his broadcast on 24 January, the British Government was in no position to impose such a solution. Again, it had put forward proposals for others to consider, those who had more power in the area than it did. However, since the main source of that power, South Africa, had also rejected any deviation from the terms of the Kissinger

package, it was unlikely to exert its influence for the purpose of altering it. Nor would the front-line African Presidents call a halt to the guerrilla war, which South Africa was also demanding as a condition for supporting majority rule, unless they were convinced that a British presence in the colony would, in fact, ensure African rule. Since that presence would only have amounted to a resident commissioner and chairman to preside over a council entrusted with security matters, the outcome of such a limited commitment, had it been accepted, would be unpredictable. Equally uncertain was the extent of American support for the British initiative and whether the United States would intervene, as it had with the Callaghan offer, in an effort to implement it. But one indication that it would was its decision to send its new representative to the United Nations, Mr Andrew Young, on a diplomatic mission to southern Africa. Thus, the Carter Administration was also concerned with redressing the balance of power in that area, and in that balance the role of Rhodesia remained crucial.

Malaysia's two years of stress

STUART DRUMMOND

THE tragic death of Tun Abdul Razak on 14 January 1976 suddenly deprived Malaysia of the man who, as Prime Minister, had led her out of the traumatic period of the May 13th massacres and was now negotiating the difficulties of the world economic crisis. He was replaced by his deputy, Datuk Hussein Onn, without any suggestion of a hitch. But in comparison with Razak and the father of the nation, Tunku Abdul Rahman, Hussein had limited political experience and, many felt, insufficient finesse to manage the complex political structure created by Razak, especially in the difficult circumstances of the time. In fact, during the last year, Hussein has surprised the sceptics by his firmness and effectiveness, but he cannot be said to have overcome all the difficulties which face him. Indeed, he is having to contend with a major assault from within his own party, and as a consequence the future of Malaysia seems more difficult to predict than at any time since the communal massacres of 1969.

Tun Razak's final period in office

Razak led the Barisan Nasional,¹ the National Front, which he had created as the party of national unity to an impressive victory in the elec-

¹ The Barisan Nasional consists of the three former Alliance parties—United Malay National Organization, Malaysian Chinese Association and Malaysian

Mr Drummond is Tutor in International Politics in the Department of Adult Education at the University of Southampton

tions of August 1974, winning 135 seats out of 154. To these were eventually added the nine seats won by the Sarawak National Party (SNAP) leaving the opposition a mere ten seats. Nevertheless this opposition, effectively the Democratic Action Party (DAP), had won about half of the urban Chinese vote, causing considerable vexation to many leading United Malay National Organization (UMNO) figures. There was some discussion of outlawing the opposition, the point being made that there was enough loyal opposition within the Front itself. In fact nothing came of such talk, perhaps because the Government decided it had less to fear from a small legal opposition than one driven underground into the arms of the Malayan Communist Party (MCP).

Razak's problem was to maintain the cohesion of the Barisan and to ensure that tangible progress was made in implementing its programme, the highly ambitious tasks outlined in the New Economic Policy (NEP)² of eradicating poverty and restructuring the economy so as to 'eliminate the identification of race with a particular economic activity'. The Outline Perspective Plan for the 20 years to 1990 laid down guidelines, which required a rapid rate of economic growth (the GDP was to increase at more than 8 per cent p.a.), and as a prerequisite a continuously high level of investment, notably private investment. This would enable new jobs to be created, adding a further 3·3 per cent to employment each year, and so lead to the elimination of rural poverty. It would be accompanied by measures which would increase Malay share capital ownership from 2 to 30 per cent, although still allowing plenty of scope for other indigenous and foreign investment.

Such a programme was bound to be adversely affected by the world recession. The sharp fall in commodity prices, notably for rubber and timber, together with the inflated price of imports produced a deficit in the balance of payments. In 1975 GDP grew by little more than 3 per cent, while private investment actually declined. This was offset by public sector investment, but the plans for growth are crucially dependent upon domestic and foreign private capital. Although government plans unequivocally spelled this out, various actions had tended to worsen the climate for investment. There was some nervousness as a result of the measures taken to expand Malay ownership, such as the setting up of special organizations like PERNAS, the national trading

Indian Congress, together with the Parti Islam, Gerakan, People's Progressive Party, Sarawak United People's Party, Pesaka-Bumiputra (of Sarawak) and the Sabah Alliance. See the writer's brief note on the election of 1974 in *The World Today*, October 1974, and Roger Kershaw, 'National and Local Perspectives of a Non-Ideological Election: West Malaysia, August 1974 (with Special Reference to Kelantan)' in B. Dahm and W. Draguhn (eds.) *Politics, Society and Economy in the Asean States* (Wiesbaden: Harrassowitz, 1975).

² See R. S. Milne, 'The Politics of Malaysia's New Economic Policy', *Pacific Affairs*, Fall 1976, and Pran Chopra, 'The Malaysian miracle—and dilemma', *The World Today*, May 1974.

corporation, for this purpose. But most disturbance was due to the Petroleum Development (Amendment) Act of April 1975 which provided for the creation of 'management shares' in the case of companies involved in the processing and marketing of petroleum products. These would be held by Petronas, the national oil company, and conferred special voting rights equal to 500 ordinary shares. The scheme was widely denounced as nationalization without compensation, and Exxon announced that it was reconsidering its plans. In addition, by the end of the year there was some evidence of an outflow of Chinese funds.

This in itself was reason for some modification of the Government's position with regard to the non-Malay communities. In addition, the Malaysian Chinese Association and the Malaysian Indian Congress had both been quietly and effectively pointing to the fact that poverty was no monopoly of the Malays and that they too had some social and economic avenues closed to them. But it was doubtful whether their case would have been considered so seriously had there not been need for investment, and had not the activities of the MCP forced the Government to compete more vigorously for their loyalty.

Communist and other challenges

About 2,500 Communists appear to be active militarily, though only a few of these are on Malay soil, the rest being based on Thailand. Indeed, well over half are Thai nationals. The MCP has split in recent years with the breakaway of the MCP (Revolutionary Faction) in 1970 and the MCP (Marxist-Leninist) in 1974. The latter is the more significant and has adopted a more violent and demonstrative policy involving urban guerrilla activities, surprise attacks on military camps (e.g. on 1 April 1975) and assassinations of police officers and special branch men. It is said to be supported by the Soviet Union. The Government maintains that there is deep hostility between the factions, particularly because the original MCP, led by Chin Peng, is opposed to 'opportunistic' attempts to exploit communal tension and win short-term success, but insists on steady work among the peasants and winning Malay support. There has certainly been some fighting between the different groups, but it would be optimistic to assume that they will neutralize each other. In any case, Chin Peng achieved some considerable successes on and near the border, particularly in disrupting work on the strategic East-West highway. It is also believed that a group linked with him was responsible for the sensational blowing up of the National Monument in August 1975.³

It was reported in September 1975 that 40 members of the security forces had already been killed during the year. The situation was deemed so serious that despite calming talk from the Home Minister, Ghazali

³ K. Das, 'Keeping a Count of the Rebels', *Far Eastern Economic Review*, 8 October 1976

Shafie, draconian measures in the shape of the Essential (Community Self-Reliance) Regulations were introduced. Special courts were to be established to deal with terrorism in which the onus of proof of innocence was put on the accused. Witnesses would be protected by their being able to give evidence in writing and in camera. Bail could not be granted, while judges were to be compelled to impose the maximum sentence provided by the law. The Government also set up the Rukun Tetangga scheme according to which each community must have a vigilante corps to which all men under 55 belong, and which makes each family responsible for the actions of all its members. The legal measures came under strong attack from the Bar Council, particularly a further provision which denied appeal to the Privy Council.

Communists were not the only group singled out for special legislation. Students who had presented a noisy and often violent challenge to the Government at the end of 1974 and early in 1975 were another. Their demonstrations were linked in many instances with rural discontent which also showed itself in the latter part of 1974. The combination of low rubber prices and an inflation rate which was over 20 per cent in April led to a number of marches and protest meetings of which the most noteworthy was that at Baling in Kedah. Students had been involved in many of these, as they had earlier been in support of squatters against official eviction measures. Amongst Malay students there was considerable criticism of the practical manifestations of the New Economic Policy which, in their view, had done little to relieve rural poverty but had helped to create a new class of rich Malays, often living lives of conspicuous luxury and involved in corrupt activities. It was known that many in the Government shared these worries, but this did not mean that it was willing to allow the student population to exploit them and radicalize the peasantry, or to create anarchy within their own campuses.

Its reaction took the form of the University and University Colleges Amendment Act of June 1975. Although much of the Act is discretionary, it is difficult to see how any student political activity disliked by the Government can now take place. It forbids membership of a political body or trade union and then goes even further in outlawing 'anything which may be construed as expressing support, sympathy or opposition to any political party or trade union'. Most existing student organizations were to be disbanded and new ones would need approval by the University authorities—who were to be appointed on the advice of the Minister of Education. Leaders of student organizations would be criminally liable for any collective offences, even if no individual involved were found guilty. Not surprisingly, little has been heard from the students since, but the problem of Malay rural poverty and land hunger has not gone away. The relative successes of the Marxist People's Socialist Party of Malaya (PSRM) in Trengganu in the 1974 elections, and the efforts of

the MCP to win support among the Malay peasants, suggest it is one that will become increasingly important and take its place alongside the alienation of the Chinese (rich and poor) as a key issue of Malaysian politics.

The difficulties confronting Razak during his last 18 months were not confined to the fundamental socio-economic issues and their political consequences outlined above, but included individual challenges by over-mighty subjects. The most prominent of these was Tun Mustapha who ruled Sabah in a quasi-monarchical fashion, and whose court was noted for its extravagance and corruption.⁴ He virtually conducted his own foreign policy, supporting the Muslim separatists of the Philippines. In order to ease him out of his power base, Razak offered him the Defence portfolio in 1974, but Mustapha declined to come to Kuala Lumpur. Mustapha's votes, however, were no longer essential to Razak, and the impact of the recession on Sabah's timber industry considerably weakened his ability to pursue an independent policy. When Razak refused to allow Sabah to raise an overseas loan, Mustapha promptly circulated a paper discussing the possibility of secession, though it seems unlikely that he was seriously contemplating such a move. Subsequently Federal ministers appear to have encouraged Kadazan leaders and other opponents of Mustapha to form a new party, Berjaya, to oppose him. This move was not completely successful, for, although Mustapha agreed to step down as Chief Minister, his party and associates remained in office and Berjaya lost two significant by-elections just before Razak's death. Thus the issue was one left for his successor to resolve.

The same was true of the case of Harun Idris, the controversial Chief Minister of Selangor, head of the UMNO Youth organization and adulated by the Malay radical Right. Harun's actions as Chief Minister in the events leading to the May 1969 massacres had been widely criticized and many Chinese (and Malays) believed he had contrived a showdown then. Razak had prevented his election as Vice-President of UMNO at its conference in June 1975, and in November charges of corruption were brought against him. Once again the dénouement took place after Hussein had come to power.

Hussein's contrasting approach

The manner in which Hussein Onn faced these problems is very different from that which one would have expected Razak to adopt. Razak's greatest concern was always for the unity and balance of his party which he knew well. Change took place, but slowly and with the minimum of conflict. It was typical of him that he sought first to deal with Mustapha by offering him a powerful ministry. Hussein is not essentially

⁴ See Robert O. Tilsman, 'Mustapha's Sabah 1968-1975', *Asian Survey*, June 1976

a politician with all which that implies about style and method. He left politics, when his father resigned as leader of UMNO in 1951, and returned only in 1969 at the request of Razak. He was Minister of Education from 1970-3 and after the death of Tun Ismail in August 1973 became Deputy Prime Minister. It could be said that he entered politics from a sense of duty—the Whig politician determined to serve his nation, uphold principles and maintain standards. His passions are most aroused by corruption and dishonesty. Devoid of charisma, he appears shy and reserved in public, and is also reputed to come to conclusions slowly and after exhaustive consideration of the arguments of his advisers. But his determination to stick to principles and to follow through decisions can be a powerful asset as long as it does not lead to inflexibility. In the case of Mustapha and Harun Idris, it led to their being openly and publicly struck down with no escape avenue being opened.

In Sabah, Mustapha decided to call an election, possibly assuming that he would be able to rig it in the same way as previous ones. Hussein, however, strengthened the Federal presence to ensure that the electorate could act freely, e.g. by appointing a police chief loyal to Kuala Lumpur; and after a notably abusive and expensive campaign Mustapha was surprisingly defeated. Nevertheless, Sabah's affairs have remained troubled: shortly after the April election the new Chief Minister, Tun Fuad Stephens, and three of his senior ministers were killed in an air crash, and in these circumstances it is still possible that Mustapha may find his way back to politics.

The approach to Harun Idris's case was equally straightforward. There was a considerable increase in tension as the trial approached, with UMNO Youth members angry and restive and Kuala Lumpur packed with security forces. Hussein was said to be under pressure to let Harun off the hook, and so avoid a deep and damaging political conflict. Instead, he arranged for the Selangor Assembly men to be kept isolated from political pressures prior to the meeting at which they passed an overwhelming vote of no confidence in Harun. The court found him guilty and sentenced him to two years' imprisonment.

But at the July meeting of the UMNO General Assembly, six weeks later, Hussein found that the struggle was not over. At the time of the trial, some of the more ardent UMNO Youth representatives had talked of Harun's 'political assassination' and referred to Communists in government, whom they clearly held responsible. They were encouraged by a major political sensation on the eve of the UMNO Assembly, when the managing editor of the *New Straits Times*, Samad Ismail, was arrested on the ground of being a Communist, something which he fully endorsed in a television interview three months later. At the Assembly they intensified their attacks, rejected Hussein's nominee to elect as their leader Jaafar Albar (a former party Secretary-General of extreme views

who had wished in 1965 to compel Singapore to submit by force), and then joined with him to protest at Harun Idris's expulsion from the party.

Though Hussein kept control of the main party meeting, Harun Idris was eventually readmitted but, with another charge of corruption pending, he wisely decided to take shelter from the storm and announced his retirement from politics.⁶ The radicals, however, gained their revenge with the announcement of the detention of two junior ministers, together with the executive secretary of the MCA and three opposition figures, pending further investigations. The ministers, Abdullah Ahmad and Abdullah Majid, former members of Razak's staff, had been the most prominent targets in the UMNO Youth anti-Communist campaign, accused with Samad Ismail and UMNO's executive secretary, Kalil Akasa (abroad at the time of the arrests), of forming a subversive group inside the UMNO establishment. The evidence for this must be awaited. What is scarcely in doubt is that they are victims of a power struggle within UMNO and that the affair has not ended there. Articles in the *Far Eastern Economic Review* of 12 and 26 November 1976 have suggested that some of the extremists are whipping up a McCarthyist campaign of guilt by association that involves some of the key figures of the Government, including the Minister of Finance, Tunku Razaleigh, the Deputy Prime Minister, Dr Mahathir, and the Minister of Primary Industries, Datuk Musa Hitam. The last two had been highly critical of Tunku Abdul Rahman who, it is suggested, is exacting political revenge for 1969-70 when he was eased out of office. It is worth noting that he writes regularly for the Penang *Star* owned by Tun Mustapha, and is also associated with Harun Idris who blames the two fallen ministers for having persuaded Razak to prosecute him.

Hussein stands above this, but he would presumably be vulnerable if the witch-hunters were to claim the heads of his senior ministers. The disappearance of a sizeable section of the present leadership would be a virtual political earthquake and the consequences for the country could hardly be other than disastrous. This would be particularly so if it meant a return to social and economic policies almost totally to the advantage of the Malay. The NEP has undergone a change of emphasis in the third Economic Plan, already foreshadowed in Razak's speeches before his death. On the one hand, the plan underlines heavily the dependence on

⁶ He has since been convicted on forgery charges and sentenced to six months' imprisonment, but was released on bail pending appeal (*The Times*, 25 January 1977). Meanwhile politics in Malaysia continue to be upset by sudden deaths, the most recent being that of the UMNO leader, Syed Jaafar Albar. His deputy and presumed successor, Suhaimi Haji Kamaruddin, a nephew of Harun Idris, will not carry the same weight but his controversial views are not likely to have a soothing effect. In particular, his traditional Islamic view of society with its subordination of political and economic affairs to Koranic values is in many ways directly opposed to the Western thinking of the New Economic Policy. (*Far Eastern Economic Review*, 28 January 1977.)

the private investor and states categorically that nothing must be allowed to diminish the incentive to invest. In this connection, following assurances from Hussein and the achievement of production-sharing agreements with Shell and Exxon, the 'management share' clauses of the Petroleum Development (Amendment) Act were repealed last December. In addition to this general assurance to the Chinese (and foreign) investor, the plan is proclaimed as being for the benefit of all sections of society and not merely the Malay community:

Our poverty redressal programmes will benefit the poor of all races. Similarly our restructuring programmes have been formulated to bring about simultaneous and progressive improvement in the socio-economic position of all communities in those sectors where they are currently under-represented. Even programmes designed specifically for the Malays and other indigenous people will generate benefits to other races as well, as they participate in the implementation of these projects and as they enter into joint ventures with Government agencies and the Malays and other indigenous people.^a

To revert to a more Malayo-centric programme would clearly both damage the economic prospects of the nation and greatly assist the Communists. In April 1976, Malaysia suffered a setback in her campaign against the MCP, when forces operating in the Betong salient of Thailand (in accordance with a joint agreement) provoked demonstrations of protest against their activities. This led to her having to withdraw all her forces from the salient and for a while endangered the hot-pursuit agreement. The Thai coup of 8 October 1976 reversed the position, and resulted early this year in the first ever joint action against the MCP. But it also led to a distinct worsening of Thai-Vietnamese relations, something which could reduce the value of the assurances given to Malaysia of Vietnam's lack of interest in the Malaysian insurgency. Doubts about the course China may follow in the post-Mao era and the shadows which lie across the world economy have added a further dimension of uncertainty to that which has developed at the domestic level.

^a Hussein Onn, presenting the motion for the adoption of the plan on 19 July 1976

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Note of the month

THE TREATY OF ROME – TWENTY YEARS ON

ONE of the ironies about the Treaty of Rome's twentieth anniversary (25 March) is that all the main governments celebrating it represent (largely though not exclusively) political parties whose attitudes in 1957 ranged from coolness to outright hostility. Today, as French Gaullists, British Labour leaders and the Social Democratic and Free Democratic ministers of the Federal Republic express eloquent gratification at the EEC's twentieth birthday, the question arises whether it is they or the nature of the Community which has changed the more. Certainly the surviving pioneers of the Treaty of Rome, from Monnet and Hallstein downwards, can reflect with relief that the Fifth Republic decided in 1958 to accept the Community (though severely restricting its scope), rather than killing it off; that the Labour Party's re-negotiation policy of 1974, although it dangerously reinforced the trend towards an inter-governmental Community based on short-sighted calculations of the *juste retour*, at least ended by committing all British parties and the British people to being in rather than out; and that Messrs Brandt, Schmidt, Scheel and Genscher have led the SPD and FDP from their scepticism of 1957 into an unflinching support for the EEC as such, despite Chancellor Schmidt's pungent impatience with some of its procedures.

The EEC of 1977 has thus won acceptance from political forces which were very far from welcoming the Treaty of Rome twenty years ago. If no one seriously talks of discarding the Community, however, this is at least in part because it has developed—so far—as a much less ambitious affair than the pioneers intended and expected. The Commission in the form designed by Monnet, over which Hallstein presided from 1958 onwards, could plausibly be regarded as an embryonic government for a United States of Europe, extending its powers slowly but surely, with the consent of the governed, through the functional processes of spillover and *engrenage*: but under Hallstein's successors, Rey, Ortolí and Jenkins, the Commission has been increasingly subjected to surveillance by the watchdogs of the member states—the Committee of Permanent Representatives, the Council of Ministers, and now the European Council of heads of government too—and it takes remarkable obstinacy (whether the blindness of a lover or the prejudice of a sworn enemy) to see in the Commission of 1977 the nucleus of a European super-state.

The substance of the policies pursued by the Community has been almost as modest—though not quite—as the development of its central institutions. Although the Common Agricultural Policy continues on the course designed for the pre-enlargement Community in the 1960s (not suitable, it is clear, for the world of the 1970s), and although large sectors of the external economic relations of the Nine are managed very constructively by the Community, the earlier expectation that ever larger sectors of national policy-making would be formally integrated has not been fulfilled. The programme adopted by the Nine at their Paris summit of October 1972, to take the most obvious point of reference—a programme in which they undertook to develop an impressive range of common policies in economic, social and external affairs, and to transform the Community into a European Union by 1980—shows little sign of being carried out.

The underlying reason why many of the far-reaching (and costly) projects of 1972 have not been implemented, and why the ambitious Tindemans Report on European Union of 1975 was unceremoniously buried in 1976,¹ is of course that the mid-1970s have seen Europe in the grip of a world economic crisis. Plans for economic and monetary union, Community industrial ventures and substantial transfers of resources through social and regional policies, which appeared realistic in an era of cheap energy and continued growth, have receded from feasibility in the harsh climate of recession. Just as the Great Depression and the economic nationalism of the 1930s killed any chance of carrying out Briand's European Union plan, so the recession of the 1970s has induced a spirit of national *sauf-qui-peut* which obstructs common action by the EEC. The parallel has, however, distinct limits which are quite instructive. This time, the states of Europe define their national interests in a much less aggressively self-regarding way, to which the Community has certainly contributed a great deal: Europeans now take it for granted that their national interests must be pursued within and through the collective organization of the Community, rather than in isolation.

Even the strongest member states of the EEC—notably the Federal Republic—see a clear interest in promoting its further development, as a major factor contributing to their own economic prosperity and political stability. This is, of course, even more the case for the weaker members, who benefit not only from direct and indirect transfers of resources from the stronger, but also from the enhanced international credit-worthiness (both financial and political) which membership of the Community confers on them. It is true that to argue thus, that an important part of the Community's role has been to limit the damage which the world economic storm might otherwise have done to Europe, and that we

¹ See E. Moxon Browne, 'The EEC after Tindemans: the institutional balance', *The World Today*, December 1976

should be even worse off without it, makes this role sound partly defensive. This, however, is an accurate reflection of the present situation. To take only one specific example, when an 'industrial policy' for the EEC may now mean essentially measures such as the protection of Europe's remaining shipbuilding capacity from decimation by the Japanese, the prospect inevitably sounds less exciting and forward-looking than it did a few years ago, when 'industrial policy' appeared to promise Europe's venturesome joint exploitation of the most ultra-modern technology. That sort of common European policy may have to wait until the international economy revives; certainly the ambitious schemes of the early 1970s for early economic and monetary union cannot be revived until the national economies of the member states begin to converge instead of diverging, and it seems clear that this divergence is now the Community's biggest single problem.

Despite these grounds for pessimism, there is no doubt that the Community has done much to promote its members' interests in the world, not only through the EEC's ability to speak with a collective voice on economic issues to the United States, Japan and now the Soviet Union, but also through its provision of a basis for the successful development of political co-operation between the member states vis-à-vis Eastern Europe, the Middle East and elsewhere.

How can the Community go forward from this distinctly modest anniversary? Given the fact that economic pressures and political choices have restricted it essentially to the *Europe des Patries* preached by de Gaulle, almost everything depends on how far national governments will be prepared to think further than one or two tactical moves ahead. If Paris goes on insisting on excluding the EEC Commission from world economic discussions; London on dragging its feet over direct elections to the European Parliament (however ineffective a directly-elected parliament would probably be in itself); and Bonn on pursuing monetary policies which most of its partners regard as short-sighted, the Community may have no greater substance on future anniversaries than it has on this one. If, on the other hand, the major capitals find the imagination and vigour to pursue a minimum range of agreed policies—direct elections, the modernization of the CAP, the Community's further enlargement on sensible terms and an honest effort to align their national economic and energy policies—the Community's twenty-first year may see progress towards that 'ever-closer union' promised by the signatories of the Treaty of Rome.

ROGER MORGAN

The role of a directly elected European Parliament

MICHAEL PALMER

Unless the European Parliament is given teeth, direct elections could lead not to the triumph of democracy within the EEC but to its burial.

FROM June 1978 the members of the European Parliament will, if ratification and enabling legislation in national parliaments go smoothly, be directly elected. The first European election will be held according to procedures worked out by each member state. The directly elected Parliament will decide, during its initial five-year mandate, on the uniform system under which subsequent direct elections will be held. Direct elections will be a revolutionary event. For the first time the peoples of Europe will be able to vote for members of an international Parliament mandated to represent their interests concerning all matters dealt with by the European Communities. But will this opportunity for European voters to express their voice about Community policies be matched by the European Parliament's ability to transform their wishes into action? Will the revolutionary situation created by direct elections enable Parliament to expand its present limited function in Community policy-making? What might or should be the role of the directly elected Parliament?

Only one fact is already certain. The new Parliament will be larger than the present one. Instead of the existing 198 members there will be 410.¹ This means that Parliament's business will increase. More members mean more speeches, more questions, more parliamentary initiatives, and, therefore, longer or more frequent sessions and committee meetings.² At present Parliament holds some 12 sessions a year, mostly

¹ Belgium 24, Denmark 16, France 81, Germany 81, Ireland 15, Italy 81, Luxembourg 6, Netherlands 25, United Kingdom 81

² The additional problems that this will create concerning Parliament's place of work are discussed in 'A Community without a Capital' by Roland Bieber and Michael Palmer, *Journal of Common Market Studies*, September 1976

Mr Palmer, a European Community official, is the author of *European Unity* (London: Allen & Unwin, 1968) and *The Prospects for a European Security Conference* (London: Chatham House/PEP, 1971)

lasting a week. Since most of the directly elected members will not also be members of their national parliament, they are likely to work full-time adopting a more rigorous timetable, possibly shifting to a system of two sessions of a week each month or one monthly session of a fortnight. The rhythm of the inter-sessional preparatory meetings—Bureau of the Parliament, committees and political groups—would accelerate proportionately. But whereas committees and groups now normally meet outside sessions, with longer or more frequent sessions committees and political groups could well meet in the mornings during sessions with plenary debates being held during afternoons and evenings.

Present functions

But if larger membership is certain, nothing else is. In particular, the political role of the directly elected Parliament is undefined and will remain so until the new members agree on their function and begin the struggle to extract the necessary powers from the governments. However, it is already possible to guess some of the ways in which Parliament's work and influence might develop. But first, a few words about Parliament's present role. Its main function continues to be its traditional one of examining legislative proposals made by the Commission and giving its opinion on them to the Council to assist it in reaching a decision. Although the Council cannot take a decision until it has consulted Parliament, Parliament's opinion is not binding, except concerning certain parts of the Community budget on which it has the 'last word'. The other main function of Parliament has been to supervise the work of the Commission. In this respect Parliament has the power, unused to this day, to dismiss the 13 Commissioners as a body. Increasingly, Parliament is developing budgetary powers, and, acting together with the Council, it constitutes the Community's budgetary authority. Increasingly, too, Parliament has been placing more emphasis on its 'control' activities concerning the Commission, the Council and political co-operation than on its quasi-legislative function. This shift of emphasis, which has been more pronounced since the enlargement of the Community in 1973, has been accompanied by more weight being given to the discussion of important topical events by means of the procedure of selected urgent matters which have arisen at question time being debated for an hour each.

How far will these present powers and functions of Parliament develop after direct elections? This is crucial, because unless European voters have some perception of the constraints within which Parliament operates and unless they are made aware of Parliament's problems in enlarging its powers, there is a risk that the excitement and enthusiasm which will almost certainly be generated by the first direct election will only too quickly lead to disappointment and disillusion.

Legislative powers

A realistic understanding of Parliament's role in Community legislation is essential. Most of those interested in European integration, if asked what should be the main result of direct elections, would probably reply: the power for Parliament to legislate at the Community level. Indeed, a European Parliament with 'legislative powers' is a classical element in the federalist vision. The very word 'Parliament' conjures up the idea of legislation. But the role of most parliaments in the modern world is to debate, criticize and amend, but essentially adopt³ legislation that in practically all cases is conceived, introduced and defended by the executive. The right to initiate major legislation has become essentially the prerogative of government. Thus, although the European Council undertook, in December 1974, that: 'The competence of the European Assembly will be extended, in particular by granting it certain powers in the Communities' legislative process', these as yet undefined 'legislative powers' are unlikely to go beyond those possessed by national parliaments or to include major powers of initiative.

Under the Treaties, it is the Commission which has the basic, though not exclusive,⁴ right of initiative in the Community decision-making process. If the directly elected Parliament replaced the Commission as the main initiator of Community policies—which would need Treaty amendment—the Commission's role would be downgraded to that of implementing policies initiated by Parliament and decided on by the Council. The Commission would thus lose its most important prerogative. But if this prospect is unlikely, there are other ways in which the Parliament's legislative role could be strengthened. These include: the recognition by the Council that Parliament's opinion should be more binding than at present; that the revised policy proposals of the Commission, if differing from amendments proposed by Parliament, should be submitted to Parliament for its opinion before Council decides; and the possibility of Parliament obtaining a *limited* degree of legislative initiative either through some type of 'private member's Bill' or through obliging the Commission to introduce legislative proposals at Parliament's request.

Although Parliament is unlikely to obtain a major role in initiating Community legislation there will surely be pressures from both the directly elected members and their electorates to achieve more participa-

³ Though some national parliaments can, quite unlike the European Parliament, influence governments *not* to introduce legislation and can block legislation they dislike by ensuring it is not adopted within the necessary time limits.

⁴ The development of the Council's role as initiator of policy proposals is discussed in 'Power at the top—the EC Council in theory and practice' by Roland Bieber and Michael Palmer in *The World Today*, August 1975. It seems likely that, as Community legislative requirements move in the future increasingly into areas which lie outside the subject-matter of the existing Treaties, so the Council's, or the European Council's, role as initiator of new policies will continue to grow.

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tion by Parliament in the legislative process. The directly elected Parliament might also try to play a role more comparable to that of a national parliament in the adoption of legislation. Thus Commissioners could be invited to present their legislative proposals in plenary session of Parliament, rather like the way in which ministers introduce their programmes and legislation in national parliaments. Under existing Treaty rules, it would still have to be the Council that would seek Parliament's opinion, not the Commission, but there seems no reason why Parliament and the Commission should not handle debates on Commission proposals in this way, which should appeal to the Commission since it would underline parallels with national governments.

Control activities and other changes

The additional authority which the directly elected Parliament should derive from direct elections is likely to have a considerable impact on the effectiveness of its supervisory activities.

With directly elected members mostly able to devote themselves full-time to Community matters, one of their top priorities will be to intensify Parliament's control of Commission expenditure. At present this is effected through the Sub-Committee on Control of Parliament's Budget Committee, consisting of only nine members. In the absence of an independent permanent financial control mechanism, this Sub-Committee can only scratch the surface of the many problems involved in the post hoc supervision of Community expenditure. But a new Community body, the Court of Auditors, should be established during 1977. Following direct elections Parliament's Sub-Committee, which could usefully be transformed into a full committee, should, working closely with the Court, be able to cut down frauds and abuses in the agricultural sector.⁵ Although in the past the Commission has sometimes been reluctant to transmit to Parliament 'confidential' documents relating to expenditure, it will become increasingly difficult for the Commission to refuse to hand over internal documents when so requested by Parliament.

One of Parliament's main successes over recent years has been its development of question time as an instrument of control concerning the Commission. Through the replies given to questions for oral and written answer, some kind of picture of the Communities' operations can be established. It is largely through Parliament's question time that some degree of 'transparency' has been introduced into the Community. But much of the working of the Community is still opaque and one task of directly elected members will be to refine and develop further the present use of questions. To help them do so, and to keep them adequately informed concerning the development of the Community's policies and

⁵ Though the Court and the Sub-Committee will need an adequate staff of accountants

activities, directly elected members will need to have full-time assistants. Indeed, this will certainly be one of their first demands. With enormous constituencies—or numbers of voters in the event of a list system being used—the new members will also require an office in their electoral area to handle ‘constituency’ business

Most directly elected members will be full-time professionals, and they will be under great pressure to devote most of their time to Community affairs. Certainly, in countries where members represented a specific region, there would be an onus on the member to fight for the industrial, agricultural and other interests of his constituents. There would be much lobbying of ‘their’ member by individual industries, firms, trades unions and agricultural pressure groups. Directly elected members may well cause debates on regional problems to become more lively than at present. There is likely to be more emphasis in the new Parliament on the political aspirations of the regions, and direct elections may add force to the argument in favour of a second chamber of the European Parliament representing regional or local authority interests.⁶ The directly elected Parliament will almost certainly press for a bigger regional fund—particularly if it includes Greek, Portuguese or Spanish members.⁷

Party political character

Another change that may result from direct elections is the increased politicization of Parliament's relationship with both the Commission and the Council, especially the Commission. Most of the national political parties from which the present members of the Parliament are drawn are at work, on a transnational basis, in preparing joint programmes for the elections with their political counterparts in the other member countries. Most candidates will run on tickets of this kind and the result will be that the members of the directly elected Parliament will have new kinds of party mandates and programmes from their electors. Of course, there will be no ‘European Government’ to implement the programme of the largest political group in the Parliament and it may well be that the political majority in Parliament could be quite different from the political majority in the Council of Ministers. But it would be unwise of the Commission to ignore the enhanced party political character of the directly elected Parliament. It could be expected, whatever the politics of individual Commissioners, to colour its legislative proposals according to the majority political view in Parliament. If not, clashes and votes of censure could follow

⁶ Members elected on a list system will probably be less ‘representative’ and have less political authority than those representing a specific area. Voters in countries using a list system are likely to be less well served by their members than voters in ‘constituency’ countries

⁷ It is difficult to forecast other effects of the enlargement of the Community to include new Mediterranean members on the work of the directly elected Parliament

Some governments have already made it clear that they do not intend to grant the European Parliament extra powers or competences in the near future, and that the powers and role of the directly elected Parliament should, at least to begin with, be similar to its present ones. Directly elected members are unlikely to share this view and they will almost certainly attempt, from the very start of their mandate, to increase Parliament's powers.

One way in which the directly elected Parliament could try to establish more direct control over the Commission would be to refine its present power of being able to dismiss the Commission as a whole so as to be able to sack individual Commissioners if it felt that they were not doing their job properly. The force of a vote of censure passed by the directly elected Parliament could be difficult for an individual Commissioner to withstand, even if the legal situation defined by the Treaties remained unchanged. A move in this direction would make Commissioners more sensitive about their responsibility to the Parliament. Directly elected members will also probably want to move towards 'co-decision' with the governments in appointing the President and members of the Commission.

Accountability of the Council

But although it should not prove too difficult for the directly elected Parliament to improve its methods of supervising the work of the Commission after direct elections, a more pressing need will be for it to secure a greater degree of political accountability from the Council.

The Council is responsible to national governments and national parliaments, not to the European Parliament. But since power in the Community has become increasingly concentrated in the hands of the Council, there is need for Parliament to obtain as much political accountability from the Council as possible. Recent years have seen some advance in this respect. Ministers now attend each session of the Parliament to reply to questions and to explain Council's policies in debates. They brief Parliament's committees on the progress of negotiations with third countries. As far as political co-operation is concerned, they brief Parliament's Political Committee, in closed meetings, on the results of the quarterly meetings of Foreign Ministers. Since 1975, the Chairman of the Conference of Foreign Ministers has replied to questions tabled by members of Parliament on political co-operation in the same way as the Council replies on Treaty matters. Increasingly, too, ministers representing the Council attend meetings of Parliament's committees.

On the budgetary front, Parliament now engages in a direct dialogue with the Council in establishing the Community's budget, and through the conciliation procedure^a negotiates with the budget Council the final

^a Discussions are held in private between the Council and a delegation of

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contents of the Community budget. But Parliament's budgetary powers are only starting to grow, and direct elections could give its members additional courage in this sector. Without waiting for Treaty modification, Parliament could, for instance, vote the rejection of some individual budget chapters. At present it has only the power to accept or reject the budget as a whole, though it has acquired the right to make limited increases to items in the Community budget which do not stem directly from the Treaties.^{*} Parliament should press for the inclusion within the budget of *all* expenditure involved in pursuing Community policies, such as the European Development Fund totalling over three thousand million dollars, which is not yet in the budget and thus evades parliamentary scrutiny and control. Post hoc control of Community expenditure has been covered earlier, but the directly elected Parliament should also be able to exercise prior control. To do so Parliament could, through its Budget Committee or sub-committees of its 'spending' committees, examine spending proposals and options suggested by the Commission. Since policy options are very largely dependent on budgetary decisions, increased prior scrutiny by Parliament of the Commission's spending plans could enable Parliament to exert much more influence on the Commission's formulation of policy. Here Parliament's pressures should reflect the decisions and interests of the European voters.

Parliament will almost certainly attempt to increase its influence in the negotiation of association, commercial and co-operation agreements between the Community and third countries. At present the Commission's mandate for such negotiations is fixed by the Council, and although Parliament's committees are informed of the process of negotiations there is no opportunity for Parliament to participate in the negotiations until an agreement has been signed, at which point Parliament is asked for its opinion by the Council. Some members of Parliament already consider that an orientation debate should be held before the negotiating mandate is established by the Council,¹ in the light of Parliament's views. Parliament may well press, also, for the right to reject, in a ratification debate, an agreement whose terms it finds unsatisfactory. Present parliamentary demands that the financial implications of new trade agreements be fully examined by Parliament before negotiations open are likely to become more insistent.

Whereas Parliament is beginning to develop some means of control over the classical Council at the level of foreign and specialized ministers, the Council is not accountable to Parliament either at the level of Heads

Parliament Conciliation has already proved a useful though double-edged weapon in enabling Parliament to develop a dialogue with the Council concerning the Community budget. It could prove just as useful in other areas, if Parliament were able to persuade the Council to agree to use this procedure to resolve major disagreements between the two institutions concerning Commission proposals.

^{*} Known as 'non-obligatory expenditure', such as the Regional Fund.

of Government (European Council) or at the level of Permanent Representatives (Coreper). Since many important Community decisions are now taken by the European Council and Coreper, an urgent priority for the directly elected Parliament should be to obtain some accountability from the Heads of Government concerning the decisions taken at the European Council meetings and, penetrating the secrecy of Coreper meetings, finding means, possibly through hearings, of making the national Permanent Representatives explain and defend the recommendations Coreper makes to the Council.

Until now Parliament has been slow in developing this tool of parliamentary control. Its committees have organized many hearings but these have been of a restricted kind, mostly aimed at obtaining factual information in meetings held in closed session. Little attempt has yet been made to develop hearings on the model so successfully developed by the US Congress. But it is presumed that the directly elected Parliament will make greater use of the hearing technique, with investigatory as well as fact-gathering aims; to make an impact, hearings should be in public and their full proceedings published. Parliament will no doubt think in terms of trying to obtain the power to subpoena witnesses.

Links with national parliaments

One of the main problems the directly elected Parliament will face is how to remain on good terms with the national parliaments of the Nine. Unless the European Parliament is careful to maintain good links with national parliaments—which, with very few members holding a dual mandate, and thus a reduced personal link, will be much more difficult than at present—there is a danger that national parliaments will resent and thus obstruct the development of greater powers and political influence by the European Parliament. But apart from this specific problem there is no reason why there should be conflicts between national parliaments and the European Parliament. The role of the latter is essentially confined to Treaty and Treaty-related subject-matter. Its powers are limited by Treaty, and any significant increase in Parliament's powers will be made by Treaty amendment which would have to be ratified by national parliaments. There is, thus, no danger of the directly elected European Parliament being able per se to supplant national parliaments, though the parliamentary consultations requested by the Council under the Treaties are specifically addressed to the European Parliament and no provision is made for the consultation of national parliaments. It should also be clear, from the Treaties, that it is primarily the responsibility of governments, acting through their representatives in the Council (or in Coreper), to defend national interests in Community policy-making—though governments are responsible to their national parliaments concerning their exercise of this duty.

Conclusions

The suggestions made here concerning the possible role of a directly elected European Parliament may seem unambitious. This is because they are designed to be realistic in terms of the degree of political will which exists at present in the member governments concerning European integration, and which is unlikely to be increased in the next few years. These suggestions also constitute a *minimum* programme for Parliament. Unless Parliament succeeds in obtaining and exercising the powers and supervisory competences outlined above well before the end of the first electoral period of five years, it is unlikely that the European voters will bother to turn out in force in 1983 to elect their candidates for the second time. And it is perhaps equally important for the new Parliament to make full use of existing and latent powers as to acquire new ones.

It might be sensible for Parliament to aim at ensuring that before the end of 1980 it has succeeded in acquiring those competences which it will need to become as effective in political terms as the Council and the Commission, and that from then until the end of its first electoral term it should prove, through its deeds, that it can do a good job for the European voter. If not, direct elections could lead not to the triumph of democracy within the European Community but to its burial. The struggle for powers and the need for Parliament to exert these powers effectively will start from the moment that the first directly elected members take their seats. They will have no time to spare if they are to succeed in this programme before the second European election—the first to be held under a uniform electoral system.

The members elected on polling day 1978 should aim, first, at flexing their political muscles to obtain results for the peoples who have voted for them. Their second aim should be to demonstrate that the European Community is not a technocracy but a political Community which is concerned about and works for the peoples of the member states in promoting their security and prosperity and in improving the quality of their lives.

China: the politics of succession

DAVID S. G. GOODMAN

Extremists of right and left have been jettisoned in an attempt to preserve the balance within the leadership after Mao's death.

IN the words of Hua Kuo-feng, Mao's successor as Chairman of the Chinese Communist Party (CCP), 1976 was indeed 'A most extraordinary year' for China.¹ Three of China's most famous veteran leaders died—the Premier, Chou En-lai, in January; the Chairman of the Standing Committee of the National People's Congress, Chu Teh, in July; and Mao Tse-tung, the Chairman of the CCP, in September. Five other Politburo members were removed in two major leadership purges: the first, in April, when Teng Hsiao-ping fell from grace for the second time; and the second in October, directed against the now infamous 'Gang of Four', including Mao's widow, Chiang Ching. In addition, there were highly publicized instances of public disorder, ranging from the Tien An Men incident of 5 April to insurrection in Paoing during December, with 12 of China's 29 provinces reporting problems; and a series of earthquakes, with the most serious in and around Tangshan on 29 July, all of which helped to maintain international interest in China. To cap it all, Teng Hsiao-ping, the Acting Premier in January 1976 but a purge victim in April,² is reported to be once again awaiting appointment as Premier.

Natural disasters apart, these events highlighted the question of succession to the post-Mao era even before the Chairman's death on 9 September. The increasing possibility of a China without Mao had been signalled in January by his absence from the funeral ceremony for Chou En-lai, and by the official announcement on 15 June that he would no longer receive foreign visitors. Furthermore, the end of an era was also indicated by the passing of that generation of revolutionary leaders, like Chou and Chu, who had fought together with Mao before 1949 and had ruled China after. In this context reports of public unrest, and the appointment of the Minister of Public Security (Hua Kuo-feng) as Premier, took on a new significance.

¹ Hua Kuo-feng, Speech at Second National Conference on Learning from Tachai in Agriculture, 25 December 1976, in *Peking Review* No. 1 (1977), p. 31.

² See David S. G. Goodman, 'China after Chou', *The World Today*, June 1976.

The author is Lecturer in Politics at the University of Newcastle-upon-Tyne. This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik GmbH, Bonn.

Leadership changes

Certainly, internal political developments in the period since Mao's death seem to indicate that there have been important changes. First and foremost, there has been the denunciation of Chiang Ching and the three leading Shanghai cadres (as well as Politburo members), Wang Hung-wen, Chang Chun-chiao, and Yao Wen-yuan, as the anti-Party 'Gang of Four'. Expelled from all their positions in the party-state system on or around 7 October, they have been accused of plotting to 'usurp state and party power' during the month following Mao's death. To this end they are said to have fomented unrest in China's provinces, to have sabotaged China's production effort both through their own efforts and by encouraging others, and to have deliberately misinterpreted Mao's instructions both before and after his death.³ Ironically, they are now designated as the 'bourgeoisie within the party', the very term used to brand Teng Hsiao-ping earlier in the year. So far no one else has been officially implicated with the 'Gang of Four', although Mao Yuan-hsin (Mao's nephew and a provincial cadre in Liaoning province), Chuang Tse-tung (the Minister of Sport) and two Politburo members, Wu Teh (the First Party Secretary in Peking) and Chen Hsi-lien (the Commander of the Peking Military Region), have all been denounced as 'followers of the Gang of Four' in wall posters.

Secondly, Hua Kuo-feng has succeeded Mao as Chairman of the CCP. This in itself is not so surprising, since Hua had been appointed First Vice-Chairman of the CCP at the same time as becoming Premier, following the Tien An Men incident on 7 April. What is more remarkable is the manner of his succession. Hua is now not only Chairman of the Party and its Military Commission, but he has also retained his positions as Premier, Minister of Public Security and First Party Secretary of Hunan. Furthermore, Hua's accession has been followed by a wide-ranging publicity campaign of political and personal adulation. Although praise for Hua has not yet reached the levels of adulation for Mao, he has been described as 'an outstanding Marxist' and 'wise leader',⁴ and attempts have clearly been made to place Mao's personal mantle firmly on his shoulders. Mao is reported to have had complete faith in Hua, writing him a note which said 'With you in charge, I'm at ease'; and on two occasions *People's Daily* has appeared on consecutive days with large-scale portraits first of Mao and then of Hua.⁵

Thirdly, the People's Liberation Army (PLA) appears to have taken a more active role in politics since September. Second in rank to Hua is

³ For example, *People's Daily* (*Jen-min jih-pao*) editorial, 22 December 1976. 'The aim of the Gang of Four was to usurp state and party power'.

⁴ Chen Yung-kuei, Report of the Second National Conference on Learning from Tachai in Agriculture, 20 December 1976, in *Peking Review* No. 2 (1977), p. 5.

⁵ See issues of 1 and 2 October; 1 and 2 January.

Yeh Chien-ying, the Minister of Defence and a veteran army leader; Hua himself has appeared in public in army uniform; and much has been made of the PLA's intervention in troubled provinces. Fourthly, the 3rd Session of the Standing Committee of the 4th National People's Congress, meeting from 30 November to 2 December, appointed Chou En-lai's widow, Teng Ying-chao, as a Vice-Chairman of the Standing Committee and replaced Chiao Kuan-hua by Huang Hua as Foreign Minister. Finally, and sensationally, given both his removal during the Great Proletarian Cultural Revolution and the events of 1976, there is the partial rehabilitation of Teng Hsiao-ping. The campaign of criticism against him has now ceased and he is rumoured to be back in Peking (and to have been seen) awaiting recall to national office.

Mao and the Chinese political system

Interpreting and explaining these changes in leadership is extremely difficult, not least because there have as yet been no clear changes in policy. It is tempting to argue that there has been a de-radicalization and a de-Maoization, particularly if one views Chinese politics on the eve of Mao's death as a conflict between two factions—the 'radicals' and the 'moderates'. Such an argument can easily be constructed. Mao, his family and the 'Gang of Four' were the 'radicals', stressing class struggle, equality and Cultural Revolution. Teng Hsiao-ping, his and Chou En-lai's followers and the PLA's leaders are the 'moderates' dedicated to economic growth and efficiency. The death of Mao and the fall of the 'Gang of Four' hence equals a victory for the 'moderate', non-Maoist faction, the resurgence of the PLA in politics and the rehabilitation of Teng.

Unfortunately, the temptation to accept this scenario must be resisted: any such account of de-radicalization and de-Maoization is unconvincing, not least because it misinterprets the roles of Mao and the PLA in Chinese politics. It is quite clear, if we look at the period since 1949 as a whole, that Mao was both a fundamental and radicalizing element in the Chinese political system. This function arose both from Mao's role as author of the ideology, and hence legitimator of the regime, and from his ability to remain somewhat apart from everyday politics, but none the less to intervene—if necessary even over the heads of the Politburo and the Central Committee—when he felt the radical goals of the regime were being sacrificed. Thus, for example, in the mid-1950s he was the main proponent of a Chinese model of development as against the Soviet-style First Five-Year Plan; and he defied the majority of the leadership in 1966 when he launched the Cultural Revolution. However, this is not to say that Mao was invariably a radical or associated with the 'Gang of Four'. On the contrary, during those periods when he did not feel the regime's radical goals to be threatened, Mao acted more as a mediator between the

competing tendencies in Chinese politics. Indeed, at times, he was capable of acting quite differently from a radical, as in the summer of 1968, when he supported the suppression of the Red Guard movement he had created two years earlier.⁶ To a large extent it was this role as a balance which led to the alliance with Chou En-lai, for so long central to the Chinese decision-making process. Moreover, Mao's perceptions of the regime's radical goals were often very different from those of the 'Gang of Four'. For example, during the Cultural Revolution Mao came into direct conflict with Chang Chun-chiao and Yao Wen-yuan over the establishment of the Shanghai People's Commune.⁷

Similarly, the apparent re-activation of the PLA's role in politics indicates neither de-radicalization nor de-Maoization. The PLA has been involved—both institutionally and associationally—in politics for most of the period since 1949. The army's role stems largely from the prolonged struggle to seize power before 1949, when at times party and army were barely distinguishable and the army had economic, social and political functions in addition to its military role. Only for a brief interval between 1954 and 1959 has the PLA appeared to move away from its guerilla heritage towards a less politically involved, modernized army. This period apart, the PLA has been actively involved in politics and its officers have simultaneously served in the party-state system. Although the extent of this involvement, at least in terms of personnel, decreased somewhat after Lin Biao's death in September 1971, the PLA was still a large and important element in Chinese politics before Mao's death. For example, in the late summer of 1976, 27 per cent of provincial party secretaries were active soldiers.⁸

Furthermore, any bi-factional account of the succession must also remain suspect. In the first place, it is altogether too simple and too rigid a model for interpreting the events of 1976. Thus, for example, it cannot explain Hua Kuo-feng's political movements during the year. He cannot logically be both a 'radical' and a 'moderate' having been appointed First Vice-Chairman of the CCP in April 1976 and succeeding Mao on the latter's death in changed circumstances. Secondly, any bi-factional explanation is dubious on methodological grounds. The existence of a faction is not ascertainable until after it has been unmasked and criticized by the regime. Otherwise it is seldom possible to associate specific policies with particular individuals or groups, or to find evidence of factional activity. Finally, given all these objections, there is no reason to

⁶ 'Dialogues with Responsible Persons of Capital Red Guards Congress', 28 July 1968, translated in *Miscellany of Mao Tse-tung Thought*, US Dept. of Commerce Joint Publications Research Service 61269-2, p. 469.

⁷ See 'Talks at Three Meetings with Comrades Chang Chun-chiao and Yao Wen-yuan', February 1967, translated in Stuart R. Schram (ed.), *Mao Tse-tung Unrehearsed* (London: Penguin, 1974), p. 278.

⁸ 56 out of 206 on 1 September 1976. On the role of the army, see Clare Hollingworth, 'Securing China's defences', *The World Today*, December 1975.

suspect that in any but the simplest sense of 'Those that are not for us are against us' there are only two factions.

This does not mean that the succession has not, or will not, result in either de-radicalization or de-Maoization, but that any assessment requires a less vague definition of terms (such as 'radical') and a more careful consideration of de-Maoization. In particular, it is clear that Mao's position as legitimator of the regime makes it unlikely that there will be a denunciation of Mao such as there was of Stalin. Rather, as with Stalin's re-interpretation of Lenin, all post-Mao policies (whatever their content) will be justified in terms of Maoism. Nor does it mean that there are no factions active in Chinese politics, but only that these are not readily observable. Many of these pitfalls can be avoided by considering the issues which have divided the leadership and the forums of conflict rather than concentrating on factions and power struggles.

The legacy of the Cultural Revolution

There can be little doubt that the major source of divisions within the leadership since 1969 has been the Cultural Revolution. Although the latter has symbolic value for all the leadership, its relevance to the future of the Chinese revolution has been the subject of debate. Both the various trends in policy preferences and other cleavages within the leadership can be traced back to the attitudes developed and experiences undergone by cadres during 1966-8. The resulting attitudes to the Cultural Revolution after 1969 can be seen as varying along a political spectrum ranging from the most favourable, which we may designate as 'radical', to the most hostile which can be defined as 'moderate'

Since 1969, policy debates within the leadership have been between two major viewpoints on a wide range of topics—one which reflects the radical ideas crystallized during the Cultural Revolution, and the other which reacts strongly against them. These two views should not be regarded as alternative and competing programmes, but rather as the limits of debate. Indeed, since 1969 most emerging policies have been a compromise between these two views. For example, social control has been maintained through a mixture of normative (radical) and coercive (moderate) methods. Moreover, there are a number of issues on which there has been no debate. Thus there has been agreement on the initial principles of Cultural Revolution, the rejection of the Soviet model of development and a commitment to the maximum economic growth consistent with increasing equality. However, there has also been a number of topics on which there has been neither fundamental agreement nor compromise. In particular, there is disagreement over how and when to reduce income differentials; the form of agricultural mechanization; and relations with the super-powers. On these issues the radical view advocates a near-immediate redistribution and reduction in differentials;

collective ownership¹ and manufacture of agricultural machinery; and an aggressive and militant line against both the super-powers. In contrast, the moderate view advocates a more long-term reduction in differentials by a gradual raising of the average wage; state ownership and manufacture of equipment; and peaceful coexistence.

In addition, it is possible to speculate that differences in post-1969 attitudes to the Cultural Revolution have also been influenced by cadres' experiences during 1966-8. Apart from the basic division between those who initiated the Cultural Revolution and those in the party-state system who came under attack, five non-policy-oriented cleavages can be identified. First, there is the cleavage between those who were part of the decision-making process before the Cultural Revolution and those who only became part of the leadership as a direct result of their attack on the party-state system during it, and consequently may be assumed to be more radical in outlook. Second, there is the difference between, on the one hand, those cadres who achieved or maintained political power during the Cultural Revolution and, on the other, those who were removed from office and only later rehabilitated. Third, amongst those who were part of the decision-making process before the Cultural Revolution, there is a cleavage between those who maintained their positions and those who gained in political power. Fourth, there is a division between PLA and civilian cadres. Many of the latter had been associated with mass organizations which had clashed—regardless of their political outlook—with PLA units when the army became actively involved. Finally, within the PLA there is a cleavage between cadres from the pre-Cultural Revolution regional army commands, many of which had been closely associated with the former party-state system, and those who during the Cultural Revolution were part of the PLA's central departments or its centrally directed units which had been sent in to recognize several regional commands.

From the point of view of analysis, it would be extremely convenient if all these divisions coincided. Unfortunately, as previously mentioned, it is seldom possible to associate specific policies with particular groups. Furthermore, the non-policy-oriented cleavages within the leadership are cross-cutting rather than re-inforcing; and none of the resultant groupings is large enough to dominate the others. Consequently, the relationship between radical and moderate should be regarded as a continuum rather than a divide.

The politics of public security

Given these divisions within the leadership, it is possible to identify the forms of conflict and put the events of 1976 into perspective. The politics of succession can be said to have started in the late summer of 1975, when discussions on the new economic plans (due to start in 1976) began, and

when not only Mao was ill but also Chou was clearly dying. Faced by an uncertain future, the radicals felt threatened. In the economic debates, Teng Hsiao-ping forcefully advocated more moderate policies;⁹ and increasing numbers of those who had been purged during the Cultural Revolution—by the radicals who had thus gained political power—continued to be rehabilitated.¹⁰ The radical reaction was to launch a campaign against 'revisionism', which after Chou's death in January 1976 rapidly became an attack on 'class enemies within the Party' and 'unrepentant capitalist roaders' (i.e. rehabilitated cadres) with Teng as the major, if symbolic, target.

The Tien An Men demonstrations of 4 and 5 April were the moderate response to this campaign. However, these demonstrations developed into a riot and led to agreement over the need (if reluctantly for the moderates) for Teng's dismissal. It would be tempting to imagine that it was the radicals who instigated these demonstrations.¹¹ This is not inconceivable, but the evident strength of popular feeling against Chiang Ching and the composition of the original demonstrators suggest otherwise.¹² Despite Teng's dismissal, the stalemate of February and March, which resulted from the divisions within the leadership, continued and was reflected in the appointment as Premier of Hua Kuo-feng, who offended most people least in terms of these divisions.

The radicals attempted to maintain the momentum of their campaign by stressing the need for vigilance against the 'sabotaging activities of counter-revolutionaries' (who, as in Tien An Men, posed a threat to public security) and the subsequent need to increase the size and activities of the worker-militia.¹³ This is the real significance of the emphasis on public security. Although there have been problems of public security in China since 1949, since 1954 these have increasingly arisen as a result of élite-sponsored activity. This is not to say that there are no spontaneous aspects to problems of public order, nor that such disturbances always stay under control, but only that in the first instance they nearly always occur at the instigation of, or of part of, the élite. Demonstrations and riots, like wallposters and rumours, are often used by one section of the leadership to pressure another. After April, the radicals continued to emphasize public security for both organizational and ideological

⁹ Documents on development attributed to Teng during these debates were later published in *Study and Criticism (Hsueh-hsi yü Pi-pan*: Shanghai), No. 4, 1976.

¹⁰ For example, in the summer of 1976 34 per cent of ministers and vice-ministers were rehabilitated cadres.

¹¹ For such an argument, see John Bryan Starr, 'From the 10th Party Congress to the Premiership of Hua Kuo-feng', *The China Quarterly*, No. 67 (September 1976), p. 479.

¹² Tom Bowden and David S. G. Goodman, 'The Heroes of Tien An Men', in *RUSI Journal for Defence Studies*, December 1976, p. 20.

¹³ *People's Daily*, 10 April 1976.

reasons. By emphasizing the worker-militia (as opposed to the other public security forces, in particular the PLA), the radicals attempted to develop an organizational base. By stressing public security, they were trying to show that, ideologically, the moderate position was antagonistic to the Maoist line and hence only suitable for extirpation and not reform.

'Gang of Four'

Significantly, despite the force of the radical campaign to criticize Teng Hsiao-ping after April 1976, there were no new policy directions between April and September. Given the balance of power within the leadership resulting from the divisions over the Cultural Revolution, this is hardly surprising. Policy outputs (as opposed to policy debate, which the radical attack is part of) reflected the equilibrium within the leadership. However, this equilibrium was threatened by the death of Mao. He was no longer there to act as mediator between the various tendencies, and crucial decisions had to be taken by the leadership, not least on Mao's successor as Party Chairman.

For just a little over a month following Mao's death there was scant indication that the tensions dividing the leadership had erupted in open conflict. All the Politburo members but Liu Po-cheng (a veteran army leader who is both old and ill) attended the memorial meeting for Mao on 18 September; and Hua's speech on this occasion (as First Vice-Chairman of the CCP) included both radical and moderate sentiments.¹⁴ As late as 30 September, the leadership seemed to remain united when appearing in public for the National Day celebrations.

The first signs of change came on 9 October when posters went up in Peking criticizing the 'Gang of Four'. That the conflict had already been resolved was indicated by the *People's Daily* in an editorial on 10 October which criticized 'splittism' and anti-Party elements, and stressed 'unity and unification' and the importance of obeying the Party. Moreover, this same editorial confirmed the importance of the Cultural Revolution as a source of leadership divisions by its omissions. There was no mention of the radical 'socialist new-born things' (of the Cultural Revolution) or of 'capitalist roaders' ('unrepentant' or otherwise). Instead, there was a call to 'consolidate the Cultural Revolution'.

Later (on 24 October) it was in fact confirmed that the crucial decisions had been taken during the first week in October, when a million-people rally hailed Hua as the new Party Chairman and denounced the 'Gang of Four'.¹⁵ Chuang Ching and the other members of the 'Gang of Four' clearly lay at the radical end of the radical-moderate continuum, both in terms of policy preferences and the other cleavages within the leadership—owing their political existence almost totally to the Cultural Revolution.

¹⁴ *Peking Review*, No. 39 (1976), p. 12.

¹⁵ *ibid.*, No. 44 (1976), p. 7.

tion. Consequently, it is not hard to see why none of them could have succeeded Mao. Given the divisions within the leadership, those at either end of the radical-moderate continuum are unacceptable to everyone else.

However, this does not explain why the 'Gang of Four' were purged since, given the divisions within the leadership, it was in everyone's interests to maintain the status quo. Thus the 'Gang of Four' were probably purged not just because they were the most radical elements within the leadership. There are two possible explanations: either they did in fact attempt to seize power themselves and so upset the balance within the leadership; or the threat of their doing so, supported by the evidence of the year's earlier radical campaigns, was enough to scare the majority of the leadership into active opposition.

China after Mao

If nothing else, the message of 1976 for Western observers of China is that political developments are unpredictable. None the less, with this caveat in mind, it is possible to suggest what the politics of succession reveal about China after Mao.

In the first place, it is clear that to a certain extent there has been a de-radicalization of Chinese politics. Within the Politburo, the most radical elements in the radical-moderate continuum have been purged and there are pressures for the return of the most moderate, Teng Hsiao-ping. Radical views in the policy debate, particularly those associated with the 'Gang of Four' have been attacked as 'rightist deviation'. However, this process should not be overestimated. The 'Gang of Four' were by no means the only radicals in the system. There are still radicals in the Politburo and elsewhere, and the radical elements in policy compromises have not been eradicated.

Secondly, while the test of any future de-radicalization will be the extent to which radicals are purged and policies modified, drastic changes are unlikely under the present circumstances. Divisions within the leadership have resulted in a balance of power where majority-building is extremely difficult, except for the preservation of the status quo.¹⁶ Consequently, change is more likely to come as the result of some extra stimulus such as the Tien An Men incident or Mao's death. This not only explains why there have been no new major policy directions, but also Teng Hsiao-ping's only partial rehabilitation. The attempt to reinstate Teng (by moderates anxious to press home their advantage) has

¹⁶ Thus, for example, this balance is reflected in the appointment to the leadership of the reconstructed Shanghai Party Committee of Su Chen-hua (a rehabilitated cadre and Politburo member from the navy), Ni Chih-fu (Politburo member, pre-Cultural Revolution model worker and Commander of the Peking worker-militia) and Peng Chung (first Party Secretary in Kiangsu and a member of that province's leadership since 1960), at the end of October

come up against the balance of power, and rumours and wallposters are being used as a technique by parts of the leadership to pressure others. Similarly, to a certain extent this balance within the leadership explains both why Hua has been unable to give up the post of Premier (even if he wanted to), and the attempt to build him up as a charismatic leader.

Thirdly, it is clear that the emphasis on public security during 1976 has had little to do with problems of public order and everything with intra-élite conflict. In this context, the emphasis on the PLA's role in maintaining order after Mao's death reflects not an abnormal situation but a return to the status quo ante. Rather, it is the period before, when there was a deliberate attempt to develop the size and role of the militia, which was unusual.

Finally, it is important to emphasize that while there may be a debate about the lessons to be learnt from the experiences of the Cultural Revolution, there is still a commitment to its basic formulations. This commitment is reflected in the current membership of the Politburo. Although the series of purges since 1969 has removed all but one¹⁷ of those at the radical end of the radical-moderate continuum within the Politburo, all but three¹⁸ of the present Politburo owe their membership to the roles they played during the Cultural Revolution. Moreover, the first official publication, on 26 December, of Mao's pronouncement 'On the Ten Major Relationships' is evidence of this commitment. Originally written in 1956, it contains essential elements of Mao's alternative to the Soviet model of development. With few exceptions, this official version is identical to those unofficially published and circulated by the Red Guards during the Cultural Revolution.¹⁹

¹⁷ Li Teh-sheng, Commander of a PLA centrally directed unit during the Cultural Revolution.

¹⁸ The three are Su Chen-hua, Political Commissar of the Navy before the Cultural Revolution but removed from office in 1967 and not rehabilitated until 1972, and Li Hsien-nien and Liu Po-cheng, both Politburo members since 1956.

¹⁹ The official version may be found in *Peking Review* No. 1 (1977), p. 10; an unofficial version is translated in Schram (ed.), *op. cit.*, p. 61.

Chinese foreign policy after Mao

MICHAEL B. YAHUDA

The Sino-Soviet conflict shows no signs of abating while the rapprochement with the United States seems set on a fair course.

PERHAPS the most important point to be made about Chinese foreign policy in the half year since the death of Chairman Mao on 9 September is that no marked change has occurred. There has been no Chinese equivalent of the famous Malenkov statement after the death of Stalin which questioned the existing Soviet doctrine on peace and war and went on to call for a reordering of the main principles of Soviet economic life. The new Chairman, Hua Kuo-feng, has drawn his legitimacy from the claim that he was personally selected by Mao: one of the most frequently cited of the late Chairman's quotations published since his death is his alleged remark to Hua Kuo-feng in late April last year, 'with you in charge I am at ease'. China's new leadership derives a great deal of the authority for its activities and programmes from the claim of continuity with the essential policies of Mao Tse-tung and Chou En-lai. Even if we were to accept the widely held view that Hua and his associates are emphasizing the importance of order at the expense of struggle, thereby moving away from one of Chairman Mao's most cherished principles of political action, and that the alternative model being promoted is that associated with Chou En-lai, it does not follow that this would have repercussions also on foreign policy. Whatever differences there may have been in political style and perhaps even on policy questions between Mao and Chou (in any case, they are best regarded as having been complementary to each other), it is quite clear that the two great men were the architects of China's new foreign policy in the 1970s and that no substantial difference can be detected between them in this area. There is therefore no reason to believe that the dynamics of the leadership change will of themselves lead to a new foreign policy outlook.

This evaluation is further endorsed by taking a look at the important Chinese leaders currently shaping China's new political order together with Hua. The two active veterans, the Minister of Defence Yeh Chien-ying and the senior Vice-Premier Li Hsien-nien, on whom great reliance was placed after the fall of Lin Piao (the former Defence Minister and Mao's heir-apparent) and in the subsequent struggles against the 'Gang

The author is Lecturer in International Relations at the London School of Economics.

of Four' (Mao's widow and her acolytes), are both intimately associated with China's foreign policy of the 1970s. The same can be said of the key military regional commanders Chen Hsi-lien and Hsu Shih-yu, who together with other leaders in the People's Liberation Army (PLA) played a crucial role in the overthrow of the 'Gang of Four', as they had done five or six years earlier in blocking the ambitions of Lin Biao. These men and the powerful forces they represent all have a vested interest in the modernization of the Chinese economy along the lines indicated by Chou En-lai at the National People's Congress in January 1975 and developed in greater detail at the series of recent national conferences held in Peking since December. There is nothing in the record of these people or even in that of the disgraced Vice-Premier and Chief of the General Staff Teng Hsiao-ping (whose possible return to high office is controversial and a potentially destabilizing factor) to suggest that they would press for a reversal of the main principles of China's foreign policy.

The foreign policy outlook of the ill-starred 'Gang of Four' certainly entailed a more autarchic development of the Chinese economy. Moreover, it was possible to detect a degree of xenophobia not far below the surface, especially in the attitude of Mao's wife Chiang Ching. Had she and her associates emerged victorious in the leadership struggle, a reversion to the introspective Cultural Revolution model of China as a 'bastion of socialism' would have been very possible. The very different position of the new leaders was spelt out by a *People's Daily* article of 22 November, which deprecated 'a closed-door policy on imports' and stressed the usefulness of 'advanced foreign technology' as a necessary component of 'self-reliance'. As soon as the priorities in relation to the allocation of scarce foreign currency can be sorted out, China's foreign trade will once again resume the upward thrust it had sustained from 1971 to 1975 when it quadrupled in value and volume. There can also be little doubt that the bulk of that trade will be, as before, with the Western countries and with Japan. It is alleged that because of the 'interference of the Gang of Four' Chinese imports of Japanese steel had dropped by more than half in the first six months of 1976 compared with the same period in 1975. But in October it was announced that imports would be restored to nearly their former level.¹

Long-term effects

However, while all the signs seem to indicate that Mao's death has not brought in its wake a revaluation of major foreign policy questions, it can still be argued that a leadership change of the scale that has occurred in China is bound to have long-term effects which will sooner or later be reflected in foreign policy. It is still too early to gauge the significance

¹ See *Financial Times*, 22 October 1976.

of the passing away of virtually all the great revolutionary leaders who have dominated the Chinese Communist Party almost since its inception and who have steered the Chinese ship of state since its foundation. In particular, the significance of Mao's death itself cannot yet be calculated. A discussion of his role in domestic politics lies outside the scope of this article, but in foreign affairs, too, his importance cannot be exaggerated: it is clear in retrospect that he personally shaped and directed all the major decisions and turning points in China's foreign policy. Mao's abiding contribution was to restore Chinese pride and dignity as a people and as a great country in world affairs. In more detail, Mao initiated the pro-Soviet 'lean to one side' policy of 1949 and he directly negotiated the Sino-Soviet alliance with Stalin. Mao reportedly agonized for three days and nights before deciding personally to send China's forces into the Korean War. It was Mao, too, who gave the 'Third World' emphasis to China's foreign policy. Although it was Chou who shaped the Bandung policies of the mid-1950s, the theories of the 'intermediate zones' and of the 'three worlds' were developed by Mao.² As is well known, Mao was the architect and the driving force behind the break with the Soviet Union both in terms of ideology and on the level of state relations. He was also directly responsible for the opening to the United States and for the policies of bringing China more into the international community in the 1970s. It is to be doubted whether any successor will have either the vision or the authority to initiate cataclysmic changes such as Mao brought about. By the same token, however, it can be doubted whether lesser leaders will have the necessary courage and principled determination to persevere, sometimes seemingly against all the odds and despite the high costs, in Mao's position vis-à-vis the Soviet Union.

If there is, then, a question mark in the eyes of the outside world regarding the Chinese leadership and its determination to carry on the Mao-Chou line in domestic and external spheres, it arises from the sense that China has entered a new era of politics. There is a feeling that Chinese politics will be dominated less by the vision of great revolutionary leaders and more by the contingency accommodations of practical politicians. Obviously the new leaders will claim to be inspired by the ideals and principles of their great predecessors—and indeed that may very well be the case. But their political actions will probably be determined to a much greater extent by the interplay of interests and forces at work within the political system itself, of some of which they may be the representatives.

Thus, a considerable body of opinion in the West believes that sooner or later the People's Republic of China and the Soviet Union are bound to improve their relations, without necessarily restoring them to the alliance

² For an assessment of Mao's role in Chinese foreign-policy-making, see John Gittings, *The World and China 1922-1972* (London: Eyre Methuen, 1974).

conditions of the early 1950s. In this view, the costs to both sides of present high level of hostilities are excessive. From China's perspective the maintenance of a continued state of military readiness must place severe burdens on her economy. A strong case can be made for the argument that Chinese vulnerability in the strategic border provinces Sinkiang and Inner Mongolia may be better secured than by the policy of tension and confrontation with the Soviet Union. China's freedom of manoeuvre in the complex triangular relationship with the United States is strictly limited. At present there is a tacit reliance upon American countervailing power vis-à-vis the Soviet Union, particularly in East Asia. The Chinese have some leverage which they can use to ensure that this can continue indefinitely, but the relationship is asymmetrical. China is only one of the many factors affecting US global and regional policies. Even in regard to Europe and the Third World, it is debated whether China's automatic anti-Soviet reflexes are an asset or a liability. They are certainly not shared by many who might otherwise be regarded as China's friends and with whom she has interests in common. Those who believe in an ultimate Sino-Soviet rapprochement point to the fact that the prime mover in China's adversary policies towards the Soviet Union from the start more than 15 years ago was Mao Tse-tung, and that at every turning-point in Sino-Soviet relations it was always he who was prepared to go further than any of his colleagues. Therefore, they argue, now that he is dead it is only a question of time before more moderate policies prevail.

Sino-Soviet relations

On the face of it, this argument may seem attractive. Even Mao himself provided a framework for the normalization of Sino-Soviet relations when he stated that it was possible to improve them on the state level though not on the ideological or party level. Yet there are definite signs that Sino-Soviet relations, which had begun to move slightly in that direction, are now once again deteriorating, while the Chinese-American relationship is to be further consolidated—even without resolving the Taiwan situation.

The Russians suspended polemics following the death of Mao. But the messages which were sent by the Soviet party leaders were returned on the grounds that party-to-party relations were not possible between the two sides. Indeed, throughout this period Chinese anti-Soviet polemics continued uninterrupted along familiar lines, both before and after the arrest of the 'Gang of Four'. Nevertheless, there were gestures by both sides on the state level that suggested a possibility of a breakthrough in relations. On the occasion of China's National Day (1 October), for instance, the Soviet Union sent an unexceptional message which implicitly called for the normalization of relations on the basis of the Five Principles.

ciples of Peaceful Coexistence. On the same day, *Pravda* carried an article signed by I. Alexandrov (a pseudonym used for articles approved at the highest level) which surveyed Sino-Soviet relations in a non-polemical tone. Though it made no mention of Mao, the article reflected the standard Soviet view that the difficulties between the two sides were entirely his fault and the hope that now that he was dead China's leaders would respond to past Soviet initiatives for improving relations.³ This approach paralleled the Chinese expectation after the fall of Khrushchev that the Soviet leadership would move closer to the Chinese line. But in fact the Russians made no new proposals, and if they had seriously expected a change of line on the Chinese side they were to be disappointed.

On 10 October, the *People's Daily* published its first article on Sino-Soviet affairs after the arrest of Mao's widow and her associates. It was entitled 'Resolutely Combat Soviet Modern Revisionism' and it concluded unequivocally that, in order 'to combat imperialism and hegemonism, it is imperative to combat modern revisionism with the Soviet revisionist clique at the core'. Two days later, Li Hsien-nien, Politbureau member and senior Vice-Premier, carried this into effect in his speech at a banquet welcoming the Premier of Papua New Guinea. Having outlined China's view of the world situation along standard Chinese lines, he went on to warn that

in particular, the super-power that daily clamours about 'détente' and 'disarmament' is the main source of a new war. Flaunting the banner of 'socialism', it extends its arm for expansion in all parts of the world, not excepting the South Pacific. But it lacks the strength to carry out its wild ambitions. Beset with troubles both at home and abroad, it finds the going very hard. Its pipe-dream to dominate the whole globe and enslave all the world's people is doomed to be dashed . . .⁴

Thus the Chinese were making it quite clear that, if state relations were to improve, the framework within which this might be achieved was very circumscribed. Meanwhile, an exchange between the Soviet and American leadership showed the global strategic implications of Sino-Soviet relations. Dr Kissinger responded to an article by the Soviet journalist Victor Louis, who has often published material considered too sensitive to be handled by official Soviet sources, in which the Chinese were warned to 'find a common language' or face 'an irreversible decision'. In measured words Dr Kissinger spoke on 19 October of the great importance to the world's equilibrium of China's territorial integrity and sovereignty and he warned: 'It would not be taken lightly if there were a massive assault on China'.⁵ *Pravda* reacted angrily in an editorial of 29

³ *Soviet News*, 5 October 1976.

⁴ *Peking Review*, No. 42, 15 October 1976.

⁵ *Daily Telegraph and International Herald Tribune*, 20 October 1976.

October, claiming that this was a 'clumsy invention' caused by Kissinger's 'fright' at the prospect of better Sino-Soviet relations.⁶

The only sign from the Chinese side that could possibly have been regarded as an indication of a softening of line was the message sent to Moscow on 7 November, the 59th anniversary of the Bolshevik Revolution. Although it was cast in the pattern of last year's greeting, it made no mention of the border problem and it included a passage saying that 'the Chinese people always holds dear its revolutionary friendship with the Soviet people' (a formula that has been used in the past, but not last year). By the following week, however, the Soviet ambassador began to lead walkouts of Soviet block countries from Peking receptions at which Chinese speakers attacked the Soviet Union. At the end of November, Sino-Soviet border talks resumed amid speculation in the West that new proposals were forthcoming from the Soviet side; but in mid-December Chinese officials told a visiting Japanese delegation that the Sino-Soviet talks were bound to fail and relations were expected to deteriorate even further. Brezhnev was described as 'more brutal than Khrushchev', and it was claimed that the border talks were being used by the Russians purely for propaganda purposes, as a gesture to win concessions from Russia from the United States by making Washington fear a Sino-Soviet rapprochement.⁷ After three months of inconclusive talks, the Soviet chief negotiator, Leonid Ilyichev, left China on 28 February.

Sino-American relations

Against this background of deadlock on the Sino-Soviet front, relations with the United States were given a new emphasis in Peking. In November senior Chinese leaders told a delegation of US Senators led by Senator Curtis that the Taiwan problem was not a pressing one, provided that the principles of China's position and of the 1972 Shanghai communiqué were not violated. The Senators were informed that the Chinese were more concerned at the problems with their northern neighbour.⁸ In January the incoming Carter Administration received clear signals that there were more important questions affecting Sino-American relations than the issue of Taiwan. There are now signs that some technicalities limiting mutual trade may be settled, including primarily the question of Chinese assets in America frozen during the Cold War and compensation claims that some Americans have regarding property confiscated in China after the Communist victory in 1949. Meanwhile, the Chinese have launched a new campaign to win the allegiance of overseas Chinese for their new proposals regarding the peaceful 'liberation' of Taiwan.⁹

⁶ *Soviet News*, 2 November 1976

⁷ *Daily Telegraph*, 17 December 1976

⁸ *International Herald Tribune*, 23 November 1976.

⁹ *The Times*, 29 December 1976

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One of the main operating factors in this regard arises out of China's lack of the military capacity to take over Taiwan by force—at least for the present. Thus a precipitate American troop withdrawal from the island may result in Taiwan seeking Soviet protection or even possibly in its eventually declaring itself an independent entity. Either possibility would be a major blow to the new leadership in Peking. It can be argued, therefore, that a continued American military presence in Taiwan on terms acceptable to China is in the interests of the new administrations in both Washington and Peking. President Carter could improve relations with Peking without going back on his pre-election pledge not to 'abandon' Taipei, while China's new leaders could improve relations with America and other Western countries as an insurance against the Soviet Union without abandoning their principles on the Taiwan question.

On the declaratory level of foreign policy, Chairman Hua has gone to great lengths to demonstrate the continuity of the revolutionary dimensions of China's foreign policy. Visiting Marxist-Leninist delegations have been received with great publicity. The practical consequences, however, have so far been negligible. Thus, with regard to South East Asia, for instance, the Burmese and other Communist Party leaders have been personally fêted by Hua but, at the same time, the Chinese indicated that they would like to resume diplomatic relations with Indonesia by asking the Premier of Papua New Guinea last January to convey this message to the Indonesian President.¹⁰ In a similar vein, the Chinese did not follow the Vietnamese and others in condemning the Thai military coup, and a friendly business-like relationship is being continued with the new Thai administration.

In short, there is no aspect of foreign policy to which one can point as indicating a change from the main precepts established by Mao Tse-tung and Chou En-lai in the 1970s. On the contrary, the removal of the 'Gang of Four' has ensured that foreign trade is to be encouraged once more and that the opening to the West is less questioned in China. Nevertheless, doubts regarding the long term remain. Moreover, China is to be faced with new problems of both local and global dimensions. Locally, for example, China would encounter special difficulties with the likelihood of the general acceptance of a 200-mile exclusive economic zone. This would add a new dimension to the question of Taiwan, which is only 100 miles from the mainland, and a new sense of urgency concerning the disputed islands and other maritime questions with Japan, Vietnam, the Philippines and possibly Korea. The Soviet Union would have obvious room to literally fish in troubled waters. At the global level, Peking would face serious problems if Washington and Moscow were to establish the kind of relations envisaged by President Carter, since this

¹⁰ BBC, *Summary of World Broadcasts*, FE/5413.

would question the fundamental basis on which China's international strategy rests, namely the conflict of interests between the Soviet Union and the United States. These considerations lend further weight to a widespread view among Western observers that, in the long run, there is much to be said from a Chinese perspective for a limited rapprochement with the Soviet Union on the state level. That presupposes a willingness on both sides of the Sino-Soviet divide to make mutual concessions—which so far is not in evidence.

A strong case could be made that China's foreign policy as a whole is in need of careful review. That policy is seen by the outside world as being exclusively dominated by anti-Sovietism. Thus, on the Angolan question, Peking found itself for a time in the same camp as the 'imperialists' and Chinese policy lost a great deal of credibility at a critical time for southern Africa. In Europe, too, China's admiration for right-wing politicians has not been without its drawbacks, while her incessant warnings against Soviet expansionism have tended to be discounted in some circles as special pleading. Such decline in influence may not be regarded as important in Peking, given that the new leadership is concentrating on domestic economic construction. Wider considerations of national security, however, may sooner or later require a reappraisal.

Québec separatism: domestic and international implications

PETER C. DOBELL

The possibility of Québec's separation from the rest of Canada presents Canadians with the most significant challenge to the integrity of their country since the separate British colonies of North America came together in a federation in 1867.

THE results of the election of 15 November in the Province of Québec caught almost everyone in Canada and abroad by surprise. Even René Lévesque, the leader of the Parti Québécois (PQ), which won such a decisive majority in the Québec National Assembly, had only dared to hope that his party might gain some 30 to 40 seats. Instead, through a split in the opposition vote the PQ, which received 41 per cent of the vote, ended up with a clear majority of 71 seats out of 110.

The situation resulting from the election of a party dedicated under its constitution to the achievement of Québec's independence through separation from the rest of Canada is one of extreme uncertainty. Apart from the inevitable resistance to the unravelling of the federation which can be expected from most Canadians living outside Québec, the PQ has to take account of the fact that even in Québec the electorate remains overwhelmingly alarmed by proposals for the province's separation from Canada. In the very survey which revealed just a week before the election the potential magnitude of a PQ victory, the same respondents showed only 18 per cent in favour of independence for Québec, 55 per cent opposed and 25 per cent uncertain. Even among French-Canadians, only 20 per cent favoured independence.

The electoral success of the Parti Québécois owed much to a decision of the party leadership, taken in 1974 and challenged at the time by party militants, to submit the question of independence to the electorate through a referendum to be held some time after the PQ was elected to power.¹ In the interval until a referendum produced a vote in favour of independence, the PQ undertook to govern as a normal provincial government. By this shrewd move the separatist issue was virtually

¹ This device had been used in 1949 to determine whether the people of the British colony of Newfoundland wished to join the Canadian federation.

The author is Director of the Parliamentary Centre for Foreign Affairs and Foreign Trade in Ottawa. This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik GmbH, Bonn. A Dutch version will be published in *Internationale Spectator*.

removed from contention in the 1976 election, thereby enabling the PQ to capitalize on the enormous unpopularity of the governing Liberals¹ in Québec. Rejecting warnings that a vote for the PQ was a vote for separation and disaster, the approach which had gained the Liberals massive votes in the provincial elections of 1970 and 1973, the Québec electorate decided to put their trust in the PQ's undertaking not to move towards independence without a referendum.

Prime Minister² Lévesque's behaviour in the first three months after the election has been almost as good as his word. All the PQ deputies swallowed bitter medicine and without protest took the oath of allegiance to Queen Elizabeth of Canada, a step constitutionally necessary for them to occupy their seats in the legislature. And while not hiding their ultimate intentions, the Québec Minister of Finance and Prime Minister Lévesque, at successive meetings in December 1976 of provincial and federal Ministers of Finance and of First Ministers, bargained for the best deal they could get and then acquiesced in the results as did all other provincial leaders. For the present, the PQ government appears determined to govern as well as possible in conformity with the Canadian Constitution, although in his 25 January speech to the Economic Club of New York, Prime Minister Lévesque tried to create the impression that Québec's independence was inevitable. He was promptly criticized in Québec for going beyond his mandate and incorrectly representing the situation in Québec.³

Prospects for referendum

It is not clear when the referendum is to be held. Once promised within two years, the PQ leaders have spoken ambiguously since the election, sometimes suggesting one year, sometimes three years, or on occasion maintaining only that it would take place before the next election which must be held within five years. Mr Lévesque has admitted that the vote might not be favourable and has indicated that if this were to happen, his government would wait until support for the idea had time to grow, but would in any case not hold a second referendum before the next election. An important question in this situation is whether the PQ could win the next election. With only 41 per cent of the vote, it achieved victory because the opposition vote was split between the provincial Liberals and a revived Union Nationale Party.⁴ If these two parties were to coalesce, the PQ's ability to win another election would depend on how well it had

¹ A party separate from the federal Liberal Party of Canada.

² Provincial governments are headed by Prime Ministers (or Premiers) as well as the federal Government.

³ Editorial in *Le Devoir*, 28 January 1977.

⁴ Québec and the other provinces all have the British parliamentary form of representation under which the person (and party) receiving the highest number of votes in each constituency takes the seat.

governed. It might actually lose support if the party were to work too strongly to promote separation in the absence of a mandate to do so.

Although this article is intended to comment primarily on the international implications of the Québec election, it is clear that the main issues will be fought and decided in Canada. The international community is unlikely to be faced with many choices at least until the first referendum is held. Of course, it will be confronted with ongoing financial decisions: whether to invest in Canadian or Québec provincial bonds, whether to retain existing investments in Canada or to make new ones. A few companies may be faced with a fait accompli. Prime Minister Lévesque has said that the province might find it necessary to nationalize the asbestos industry—much of which is American owned—because of an emotionally charged history of poor labour relations, a belief that this industry could do more processing in Canada and concern regarding industrial health in asbestos plants.⁶ For a couple of months he talked of nationalizing the banks in Québec in order to achieve greater control of the economy, but this theme was then dropped, perhaps because of the legal and constitutional problems of nationalizing the banks' Québec operations only.

The international community will naturally want to understand what is happening in Canada. The first fact which has to be recognized—by foreigners and by English-speaking Canadians alike—is that Québec is a viable entity. It is physically large, well endowed with many natural resources and it has excellent lines of communication to international markets through the St Lawrence River. The province has a population of over six million of which almost five million are French-Canadians with a strongly developed sense of cultural homogeneity and a feeling of national identity which is historically rooted in the St Lawrence basin. 'This collectivity [which] has . . . all the attributes of a distinct society'⁷ is relatively advanced educationally and technically and several elements of a modern industrial state exist in Québec. In short, using the United Nations as a standard, it is better prepared than at least half of the current members of the world organization to become an independent state. Indeed the United Nations served as an important stimulus to the development of the separatist movement in Québec, offering multiple examples of peoples once conquered—as Québec had been in 1759—moving by peaceful means to acquire independence. There have been nationalist spasms in Québec in the past, but until the advent of the United Nations and, associated with it, the process of peaceful decolon-

⁶ Under the Canadian Constitution, the provinces own the natural resources within their territory, so Québec has the power to nationalize resource industries within its boundaries.

⁷ This extract from an article by Claude Castonguay, a former provincial Liberal minister and a federalist, is typical of the language used by Québécois to describe their situation. *Ottawa Journal*, 29 January 1977.

ization, French-Canadians could not seriously think that their salvation might lie in independence achieved by peaceful means.

The serious advocacy of Québec's separation from the rest of Canada presents Canadians with the most significant challenge to the integrity of the country since the separate British colonies of North America came together in a federation in 1867. The outcome lies in part in the hands of English-speaking Canadians. As Canada's Prime Minister, Pierre Elliott Trudeau, observed 10 days after the election in a televised address to the nation:

Québecers, like the citizens of the other provinces, are proud. They seek personal fulfilment in a free and independent way. The central question, therefore, is whether this growth of freedom and independence is best assured by Canada, or by Québec alone. Canadians must think about this brutal question now.*

It is not clear how the rest of Canada will react to this challenge. It presents a particular problem for Canadians of ethnic origins other than British, such as Italian, Ukrainian or Greek, who did not participate in the original compact by which Canada was formed. They find it difficult to understand why French-Canadians who represent some 30 per cent of the population should not be treated as a minority just as they are. But the people of Québec will be watching how the rest of Canada reacts as they try to decide where their interests lie. Most Québecers have not been unaware of some advantages in their present situation. Even René Lévesque in a recent article in *Foreign Affairs* acknowledged that

All told, it hasn't been such a bad deal, this status of 'inner colony' in a country owned and managed by another national entity. Undoubtedly, French Québec was (as it remains to this day) the least ill-treated of all colonies in the world.†

Although implicit in Lévesque's analysis is the assumption that the preferred situation for Québecers is independence—and indeed in a world without constraints this is emotionally what most of them aspire to—the majority of the people of Québec remain supporters of federation. They appear to believe that the limitations on their self-expression as French-Canadians through being a minority in a larger English-speaking nation are so minimal as to be tolerable and are more than compensated for by the advantages of being part of a larger economic and political entity. It is significant that the PQ is claiming that through negotiating a customs union and possibly even a monetary union with the rest of Canada it will retain all existing benefits of federation, while achieving political and cultural independence as well. Although critical to the separatist case, this thesis is highly questionable. As Canada's

* *Globe and Mail*, 25 November 1976

† *Foreign Affairs*, July 1976, p. 737.

former Prime Minister, Lester Pearson, observed in his opening remarks to the first Federal-Provincial Constitutional Conference in February 1968, Canada's destruction would cause 'rupture and pain and loss'. A more graphic commentary on this theme was made by a noted economist and poet, formerly a close diplomatic adviser to Mr Pearson:

I wish someone would explain to René Lévesque and his friends that divorce or separation is almost never amicable, that it is almost always followed by great bitterness, and that relations between the separated partners are at best distant and at worst poisonous. Working out an economic union in that atmosphere would be next to impossible.¹⁰

The scale and scope of the problems are formidable. How to divide up the national debt? What to do with the federal properties in Québec such as the St Lawrence Seaway installations? How in these circumstances to reach agreement on trade policy when Québec is strongly protectionist in outlook and much of the rest of Canada—the West and the Maritimes—interested in free trade?

For the present, the majority of French-Canadians appear to be sceptical of the PQ objective, but will the PQ be more persuasive now that it forms the provincial government? The percentage of French-Canadian Québécois which favours independence for Québec has grown slowly, and very erratically, over the years, from about 8 per cent in the middle 1960s to 20 per cent at the time of the recent election.¹¹ The PQ clearly hopes through the effective exploitation of the power of the provincial government to persuade the sceptical and reassure the doubtful and thus to build a majority of support.

Language issue and other challenges

An explosive issue now at hand illustrates how it plans to proceed to make its point. In the summer of 1976 the Canadian Air Line Pilots' Association struck in all Canadian airlines in support of the principle that communication between pilots and air controllers in the control towers of all the principal airports of the country, including those in Québec, should be conducted exclusively in English. They claimed that to allow communication in French at Québec airports involved unacceptable risks to safety in the air. This opposition of the pilots and air controllers to the use of French in air-to-ground communication, ostensibly to assure safety in the air but more likely to protect their monopoly of positions (even though many of those involved are sincere in their commitment to safety), was deeply disturbing to French-Canadians, to whom the issue naturally appeared as a challenge to the use of French in

¹⁰ Douglas LePan, Convocation Address to York University, 12 November 1976

¹¹ Poll results reproduced in *Le Devoir*, 10 November 1976, p. 6

Québec's air space. It was surely not by accident that the pilot bringing back Prime Minister Lévesque from his first Conference of Premiers in Ottawa used French to communicate with the control tower at Montreal airport in contravention of current regulations. When a protest was filed by the Air Line Pilots' Association, Lévesque happily entered the argument, recognizing that it represented a particularly dramatic affront to the instincts of French-Canadians. Unless a judicial inquiry now being undertaken opens the way to the use of French at all Québec airports, this situation is certain to affect the attitude of many Québécois towards remaining part of the Canadian federation.

The attitude adopted by the major English-speaking governments will also have some effect on the ultimate response of Québécois to the PQ's referendum. The immediate reaction of the two provinces bordering on Québec has been to re-examine the question of bilingual services for their French-Canadian minorities. New Brunswick, with a population 45 per cent French-speaking, is moving to introduce the second and final phase of a comprehensive programme to provide bilingual services throughout the province. Ontario, with about 500,000 Franco-Ontarians, is still undecided over whether and to what degree to provide basic governmental services in French, because of hostility on this point felt by some English-speaking Canadians.

Until the referendum is held, the international community is unlikely to see much that is different. There may be some difficult moments in the *Agence de Coopération culturelle et technique*, the primary organization for co-operation among the states of 'la Francophonie'. Québec is a 'participating government', although Canada has been represented by a single delegation which includes provincial representatives. Problems could arise over the composition of the delegation and within the delegation in resolving how votes will be cast, since the practice has been for the delegation to abstain unless provincial and federal delegates are unanimous. Similar problems may arise within AIPLF (*Association internationale de parlementaires de la langue française*). Conflicts are more likely within this organization than in the former because legislators are more independent than public servants and the Constitution does not provide for a separate role for provincial delegations. The Québec government boycotted AIPLF's first meeting in 1968 and may do so in future.

It is not yet clear at what stage the PQ will attempt to generate support for its cause abroad. It can be inferred from René Lévesque's article in *Foreign Affairs* that the party does not now intend to seek international support until a referendum has been held and the electorate has expressed itself in favour of Québec's independence.

... then the pressure is on Ottawa, along with a rather dramatic surge of outside attention, and we all get a privileged opportunity to study

the recently inked Helsinki Declaration and other noble documents about self-determination for all peoples.¹¹

So much would depend on how the choices presented themselves. If a large majority of the Québec population voted in favour of separation, Prime Minister Trudeau has said for his part that he would not seek to hold the country together by force. But what if only 51 per cent of Québec voters (not counting abstainers) supported independence and the PQ nevertheless claimed that this constituted sufficient endorsement of its platform? Unless Canadians in other provinces had reached a stage where they wished to get rid of a festering sore—a persistent reaction among some elements in Canada who object to what they consider to be a continuously privileged treatment for Québec—the federal government of the day could hardly feel justified in acquiescing. Depending on the electoral situation at the time, it might decide to call a national election or even organize a national referendum on the issue. Another development which could further complicate the situation would be a decision by the PQ to run candidates in the next federal election. For if PQ members were elected to the federal Parliament, they could have a very disruptive effect, just as the Irish nationalists paralysed the British Parliament in the 1880s.

Other uncertainties can easily be envisaged. Suppose a region within Québec voted against separation—for example, the city of Montreal, or the western section of the province—should that region have the right of self-determination? Lévesque has already said 'no', but such a development would clearly complicate the political situation. However events unfold, it is unlikely (as Mr Pearson predicted) that Québec would achieve easy and uncontested independence.

In spite of the hazards of prediction, there is some prospect that major violence can be avoided. Caution and moderation are part of the Canadian tradition, characteristic of French- and English-speaking Canadians alike. René Lévesque and several of his principal advisers are cast in the same mould. But there are radicals in the Parti Québécois, including members with a background of violence and minor terrorism. For the moment they have been out-manœuvred and some even converted. René Lévesque and his policy of gradualism and revolution through the ballot box reign supreme. If the first referendum rejects independence, some PQ members including Lévesque will be ready to acquiesce in the result, but others will wish to give history a brusque shove. In such a situation tension could develop, and it is possible that violence could break out and conditions deteriorate. And would Lévesque's party hold together if the referendum went decisively against separation?

¹¹ *Foreign Affairs*, July 1976, p. 740.

Likely international response

In the event of qualified support for independence in a referendum, and of resistance by the federal Government to the PQ's demands for separation, Lévesque evidently anticipates an appeal to the international community. What responses could he expect? It might be assumed that there would be some natural affinity between Québec and Cuba, two semi-colonial entities submerged in an English-speaking capitalist North America. In fact some of the early French-Canadian terrorists-separatists sought training and encouragement in Cuba. But from the first, the Canadian Government has maintained good relations with Castro's Cuba, and it is in Castro's interest to continue to have Canada as a friendly neighbour pursuing a policy distinctly different from that of the United States.¹⁸ Moreover, these relations are reinforced by friendly personal ties developed between Trudeau and Castro. Cuba is unlikely to jeopardize these benefits and personal links to support separatism in Québec.

Another source to which Québec might look for help is the Soviet bloc states. But here again Canada has established good relations. While less materially interested than Cuba in preserving the present state of relations with Canada, the Soviet bloc countries can be expected to be very cautious about doing anything which might weaken Canada, since their Marxist mind is likely to suspect that the United States might be the beneficiary of any breakdown of central control north of the 49th parallel.

Nor would the United States want to see Canada disintegrate. The Cuban experience in particular has led Americans to mistrust radical movements on their borders, and they fear both politically and economically the radical manifestations of the separatist movement of Québec. As leaders of the Western alliance they will worry also about the defence implications of Québec's separation. Would Canada continue to carry her defence responsibilities, particularly for providing anti-submarine surveillance of the north-west Atlantic? With an enormous investment in Canadian industry, Americans must also be concerned about developments which might weaken the Canadian economy. Finally, they must be worried about the viability of the remainder of Canada if Québec did separate. So for a variety of reasons the United States as a government will have little temptation to give any support to Québec separatists.

France's special position

Western Europe and Japan share many of the same concerns as the United States although with less intensity. Only France is in a special position. In 1967 President de Gaulle had committed France to active

¹⁸ See James John Guy, 'Canada and Latin America', *The World Today*, October 1976

support of the separatist movement in his famous endorsement, 'Vive, le Québec libre!', in a public address. It took seven years for the French Government to extract itself from this emotional commitment and to issue an invitation to the Canadian Prime Minister to visit France. The French Government's reaction to the Québec election has been one of scrupulous caution and seems likely to remain so. However, there have been supporting comments from some members of the former UDR¹⁴ party of France, the party of de Gaulle. The national secretary, Marc Lauriol, observed that the electoral victory indicated that an irresistible process was under way which would lead to autonomy for Québec in a form yet to be determined. Prior to the election, a small number of French politicians—Gaullists and young Socialists—issued a manifesto drawing attention to the election and arguing that it was 'possible and desirable that the election of November 15 reflects the profound desire of emancipation of the Québec people'.¹⁵ The temptation to vindicate the policies of de Gaulle was to be expected and the manifesto naturally received support from those Gaullist elements who had earlier been prominent in the execution of the policy of supporting separation. But for the present these Frenchmen are likely to remain isolated and a special case.

The situation could change if even a small majority of Québécois opted for separation and the Québec government were to ask for help. Some French have a guilty conscience over the way France ignored Québec for two centuries and it must not be forgotten that an independent Québec would be the largest francophone country outside France. France would also be influenced by the manner in which the federal Government was treating the question.

The reaction of Third World countries is more difficult to predict. Some French-speaking African states may be tempted to respond to an appeal from Québec for support, as may some Latin American governments. The cultural affinities would reinforce a neo-Marxist analysis of Québec's situation. But these countries are remote and the material help which they can offer Québec is minimal.

Uncertainties ahead

As the confrontation with Québec intensifies, the Canadian Government is bound to become increasingly preoccupied with internal affairs. The Government will, out of self-interest, be obliged to continue to participate in international activity in order to maintain good relations with other states, but its attention will be focused on domestic developments. Canada's small contribution to Nato and to United Nations peace-keeping operations will present special problems. Canadian defence

¹⁴ Now named *Rassemblement pour la République* (RPR).

¹⁵ *Globe and Mail*, 19 November 1976

forces are small and stretched to their limit. If there were to be any risk of disturbances arising out of the Québec situation, the Government would have to cut overseas commitments in order to have sufficient military manpower available to ensure that the domestic situation did not get out of hand. In due course, if Québec actually seceded, its government would probably lay claim to Labrador, a territory lying to the extreme east of Québec which was ceded to Newfoundland in 1936 by a decision of the Judicial Committee of the Privy Council of the British House of Lords. While the population is not French-speaking, it is a natural geographic extension of Québec and is rich in minerals and water power. This dispute could eventually lead to both sides taking some military measures.

The uncertainty of the present situation may well last a decade, depending on which scenario prevails. The major event to watch for will be the first referendum, which is unlikely for a couple of years, unless some unexpected developments offer a particularly propitious environment. If the vote were strongly in favour of separation—which is unlikely—the break-up of the Canadian federation would probably be only a matter of time. If, on the contrary, the vote were strongly against independence, the separatist movement would probably soon fall apart and the Canadian federation could emerge strengthened. It is more likely, however, that the Québec electorate would not vote conclusively in either direction and uncertainty would continue, with both sides beginning to look for possible compromises.

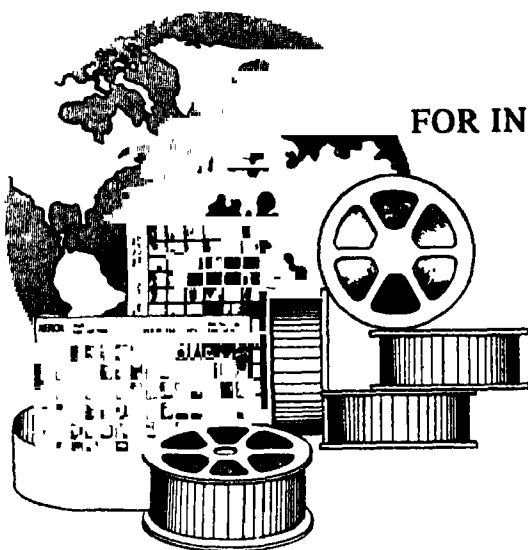
What happens in the next federal election, which will probably be held before the first referendum, will also have its impact. The Liberals might be returned with a mandate to save the federation, with Trudeau cast in the role of defender of the federal position in Québec, a role which only he of the present party leaders is able to play through being a Québécois. But the Liberals have lost much of their popularity, and until the Québec situation arose, it was widely expected that the Conservatives would win the next election. If they did, without winning many seats in Québec, which is a possible outcome, this might be interpreted by Québécois as a national rejection. Others argue, however, that only an Anglophone Prime Minister can persuade Québec and the rest of Canada to make the compromises necessary to preserve the federation.

It is interesting to note that Prime Minister Lévesque is already paying close attention to the language used by him and his supporters. In order to avoid unnecessary alarm, he has directed that the term separation should not be employed and that instead the party should speak of gaining independence and acquiring sovereignty. The differences may be only semantic, but the terms he now insists upon admit a degree, whereas separation is an absolute concept. In an important statement in the National Assembly, Lévesque explained that separation 'is not precisely

what we want. It is obvious there is a degree of separatism implied [by the PQ option]. But sovereignty means Québec would be in charge of tariffs, taxes, its budget . . . all essential parts of sovereignty, or independence.' A sovereign Québec would form an association with Canada 'between the two founding peoples of the two nations. . . This association will be contractual.'¹⁶ While there is no reason to believe that the PQ is hedging its position at this stage, this presentation of its objectives would ultimately enable it to claim success even if it found itself accepting far less than separation.

¹⁶ *Globe and Mail*, 22 December 1976.

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Notes of the month

INDIA DISCARDS DICTATORSHIP

INDIA'S March elections for the federal Parliament were at once an upheaval and a return to normal. They were the largest political event in the post-independence history of the country and yet they achieved this status by restoring—at least in some significant respects—the kind of politics which had prevailed from 1947 to 1975. One month after the event is an interval too short to allow the full analysis which these, India's sixth, general elections require, but just about right to permit an outline of the salient features of the great happening and the fresh puzzles it has created. Also, since we all tend to recover so quickly from surprises of a non-personal kind, it is already time to remind ourselves of the shock which the Indian electorate administered to the world and perhaps to itself too.

The reaction of astonishment was total except that several observers became aware during the later stages of the campaign period that something was 'going wrong' and began accordingly to hedge their bets. The expectation of victory for Mrs Gandhi was natural: she had not been obliged to have elections, so her January change of plan in that direction was taken to be a sure sign not merely that she had reasons for positively wanting them but that she was satisfied that the risks were acceptably small. In retrospect, there is a question as to whether it was simply a miscalculation on her part or whether, in fact, a misapprehension on ours as to the balance of advantage and risk in her mind. But if she did not perceive the risks as negligible, the advantages must have been seen as correspondingly greater: perhaps troubles within her Congress Party were not merely irritating but seriously threatening to the support structure; legitimacy may have appeared not simply a pleasant possession to be increased whenever convenient but a vital political good desperately needed by leader and public alike; and the future could have been envisaged less as a continuation down an increasingly familiar new road than as a growingly sombre prospect entailing fresh repression for survival.

Only Mrs Gandhi knows the exact answer. But it still appears probable that she was not less surprised than the world by the train of events made possible by her re-opening of politics to the people. Dictators who follow a line of dictators must pick up some of the tricks of that particular trade, but Mrs Gandhi was only just initiating that style in modern India. She

may therefore have been less able than other authoritarians to grasp and handle the unaccustomed situation: on the one hand, she was inhibited by the now established traditions of Indian electoral democracy (which in a measure she surely shared) from contemplating systematic rigging, on the other, she was unprepared to believe that so many could be turned against her, that there could be some in her own court who would betray her, that having closed free expression of opinion she could never know—despite, or because of, her expanded intelligence services—just how out of touch she had become

The first element of surprise occurred at the start of the campaign. Mrs Gandhi found that she had united the opposition elements to an unprecedented degree. The various constituent parts of Janata not only held solidly together over the normally unpleasant business of allocating seats to be fought and choosing the candidates but were then able, as recently released prisoners, to extend accommodation to their erstwhile jailers, Jagjivan Ram and others, now garbed as 'Congress for Democracy'. For the 542 seats in the expanded Lok Sabha (previously 518), there were eventually 2,439 candidates (compared with 2,790 in 1971) but of these 1,222 were independents (1971, 1,136). The independents have always been a mixed category: few of them win (7 this year, 13 in 1971) but several can have significant nuisance value and indeed are there, as 'dummy' candidates, precisely for that reason, encouraged by one party to divert votes from its rival. In any event, observers were agreed that there was an unusually high proportion of straight or near-straight fights between Congress plus its allies and Janata plus its associates. Each group had its untidy features. Congress with 493 candidates left half the Tamil Nadu seats to Anna DMK, the dissident breakaway from the ruling parent DMK, but seat arrangements with its only all-India ally, the pro-Moscow Communist Party (CPI) were possible only in some states. Janata as such put up only 404 candidates, leaving scope, especially in Bihar, for Congress for Democracy with 50 and allowing freer passage for the CPM, Akali Dal and the DMK in West Bengal, Punjab and Tamil Nadu respectively. One by-product of the atmosphere of strong confrontation was that the expected rise of the Youth Congress to electoral prominence under Mrs Gandhi's son Sanjay did not occur: the proved old-timers and sitting members were relied upon and the army of some 200 youth leader candidates melted away to leave but Sanjay plus a dozen

The next element of surprise lay in the campaign. Neither money, which must be supposed to have flowed amply into Congress coffers, nor the support of local 'big men', many of whom must be supposed to have adjusted happily to the 'Emergency', nor the previously established personal popularity and hustings energy of Mrs Gandhi, nor even the hundreds of ways in which government candidates can cajole or threaten

—none of these prevented large crowds turning out for the opposition and listening with more enthusiasm than was evinced by those who gathered for the Prime Minister. There was less disturbance and violence than in some past campaigns, though the alleged attempt on the life of the now lower-profile Sanjay drew attention and comment. Both sides put out the customary comprehensive manifestos but the opposition focused almost exclusively on the 'Emergency' and the Prime Minister accepted this as the key issue, adopting more defensive positions as the campaign progressed. The polling days passed with incidents in only few stations, seemingly mostly the work of Congress thugs in West Bengal.

The main features of the outcome are well known. Congress lost some 200 seats to emerge with only 153. Janata came out with 270 (compared with a total of some 50 which the constituent elements had mustered in 1971) and Congress for Democracy added 29. The voters had just about reversed the proportions forecast by the more cautious.

Beyond these bare figures are other features worth some notice. First, the voter numbers reached a new mammoth high of 193 million; this, of course, reflected the huge population increase of 12 million per annum (which also caused the electorate over 21 to be not much more than half the population!); even so, this was a turnout of 60.5 per cent, which is higher than that of the Congress walk-over of 1971 (54.7 per cent) and near to the record of 61.3 per cent at the closely fought 1967 elections. Reports indicated extremely high turnout in the northern areas of biggest governmental reverses. Second, in the battles of the giants, certain regional parties still survived. In Tamil Nadu the ruling party, DMK, in power until toppled by Mrs Gandhi under the 'Emergency', was crushed; 10 years in power had evidently tarnished its reputation beyond recall even by martyrdom; but its newer half, Anna DMK, flourished with half the state's seats. In Punjab, the Sikh party, Akali Dal, secured 8 of the 13 seats. In West Bengal the Marxist CPM, which got only 5 seats in the other 13 states where it contested (and none in Kerala, a former stronghold), emerged with 17 seats and the dubious status of a Bengali regional party. Third, while the full voting figures had not appeared as this was written, it was known that the Congress vote share fell from 43 per cent (indeed, only that in the election of 1971) to a low of 34.5 per cent. Those familiar with 'first past the post' systems will be no more surprised by this than by the fact that Janata (whose constituent elements collected 24 per cent of the vote in 1971) achieved its storming success in seats with a share of only 43 per cent. It is as if the Janata group has neatly exchanged places with Congress.

But has it? The interpretation of the results is not easy with present information. The salience of the sterilization excesses issue is understandable, not only because fears and anger on a matter of such intimate

personal concern could clearly take hold on a large scale, but also because it could serve as a symbol of much that was detested in the non-accountable politics of the Indira-Sanjay court. Even the illiterate, not directly affected by press censorship and other curtailments of liberty, could still shudder when he sniffed a government that could not be forced to listen. There may also have been some bloc desertions from Congress—of Muslims who were by no means singled out as victims but may have felt so, of Harijans (untouchables) too, with or without the example of Jagjivan Ram. At a deeper level, the voters may have been picking up the story from 1967 when surveys showed new voter independence of local manipulators, that spirit, which Mrs Gandhi had once been able to exploit, now worked against her as voters quietly resolved to register their disapproval of populist rhetoric which covered a shabby reality.

The new Government has not yet fallen apart but it has its problems—confronting Congress governments in most states, disparate and potentially conflicting elements within, above all popular expectations that have doubtless grown beyond the promised ending of authoritarian rule. And, a little further on, there are problems of the system—can real federalism be restored without setting regionalism on a rampage? Has the Congress 'centre' (of the party system) gone for ever or has it created a mirror mate with which to alternate in power? The exultant crowds that greeted the results have no doubt long since sobered. This does not mean that there was nothing to celebrate, on the contrary, the ballot has eliminated an aberration and restored what had for India become the normal open processes for handling the problems which abound.

W H MORRIS-JONES

TURKEY AT THE CROSSROADS

SINCE the 1950s when Turkey joined Nato, her pro-Western stance has been taken for granted. This was perhaps an understandable assumption given the tensions of the Cold War years and the expansionist policies of Soviet Russia. But can such an assumption still be valid in an era of détente between the super-powers? Several recent events in which Turkey has failed to get Western support for her policies or actions have caused many Turkish politicians, thinkers and commentators to question the value to Turkey of both her large-scale military commitment to Nato and her near total alignment with the West in most other fields.

Turkey has always been acutely sensitive about her image in the West. As a full member of the Council of Europe and of Nato, she has felt herself to be an integral part of the West and a staunch partner in the Western alliance. She has therefore been surprised and somewhat perplexed at the general lack of support she has received of late from her allies, particularly in any dispute involving Greece. To the Turks, the Western mind, nourished as it is on deep-rooted cultural ties with Greece, seems

incapable of objective appraisal where Turkey is concerned. Even in disputes not involving Greece, the Turks regard themselves as less than fairly treated.

How else, they argue, can the European Commission of Human Rights condemn the actions of the Turkish Army following the 1974 invasion of Cyprus while ignoring the many years of Greek and Greek Cypriot oppression of the Turkish Cypriot minority prior to the invasion? How else can one explain the EEC's refusal to revise substantially an agreement which, in Turkish eyes, discriminates against them in favour of other EEC trading partners including Greece? How does one account for American Congressional refusal to extend the arms credits necessary to enable Turkey to fulfill her vital Nato role other than by admitting Congress's deference to the dictates of the well orchestrated Greek lobby in the United States?

Failure to make substantial progress on the three key issues of relations with Greece over Cyprus and the exploration of the Aegean sea bed, with the United States over the full-scale resumption of arms supply, and with the EEC regarding revision of the association agreement between Turkey and the Community may lead to a reappraisal of Turkey's defence and foreign policy in the not too distant future, followed by a shift towards a more neutralist line. Such a radical step could never be contemplated by Mr Demirel's shaky conservative coalition but it would be an entirely different matter if Mr Ecevit's Republican People's Party were elected to power in the forthcoming general election. A Government led by Mr Ecevit, faced with stalemate in the issues cited above, would almost certainly begin to loosen its ties with the West, adopt a stance of political neutrality and seek closer economic links with the Arab-Islamic lands to the south and east.

Taking each of the main points of disagreement between Turkey and the West in turn, it is her relations with Greece that predominate. Turkey feels that Greece, instead of viewing points of difference between them in a realistic manner, has often in the past taken refuge in irrelevant pan-Hellenic ideas. Turkey wants Greece to accept the fact that the position of the Turkish Cypriots, since the island's independence, had been steadily eroded by Greek and Greek Cypriot action and that the coup led by Nicos Sampson in 1974 represented a definite alteration in the status of the island which entitled Turkey, as a co-signatory of the Zurich agreement, to intervene. Turkey also seeks a realistic Greek attitude over Turkish rights to exploration of part of the Aegean sea bed. Despite a recent improvement in Turko-Greek relations, no Turkish government is likely to abandon what it sees as its rights in either of these disputes and, whichever party or coalition wins the next election, it can count on solid support from the electorate as a whole in any future confrontation.

On the second point of difference, although Turkey has recently indicated her willingness to accept new proposals by the EEC as the basis for re-negotiation of her association agreement with the Community, government officials in Ankara are far from satisfied with what the EEC is offering. Agreement to the following points was requested by the Turkish Government: continuing free movement of Turkish workers to the Community countries (whence their remitted earnings to the homeland have helped to plug a large gap in Turkey's balance-of-payments deficit); increased access to EEC markets for Turkey's agricultural produce; more direct aid; the right to protect her home market against European manufactured goods by raising industrial tariffs.

The recent EEC proposals met very few of the Turkish requests. Migrant workers will not be given automatic access to EEC labour markets; the quota for Turkish agricultural exports has been only slightly raised; the direct aid offer remains as before but the EEC *has* undertaken to consider permitting Turkey more flexibility in setting import tariff levels. That the present Government has accepted these unsatisfactory terms as a basis for negotiation is an indication of the coalition's weakness. But several influential Turkish politicians as far apart as Mr Erbakan of the Islamic National Salvation Party and Mr Ecevit of the Republican People's Party have, for their own reasons, been openly advocating a loosening of Turkey's EEC ties and the setting up of economic links with the Arab oil producers to the south. This, they argue, would enable Turkish industry, backed by Arab money, to develop for the country's own benefit and reduce its dependence on costly European imports.

Thirdly, the dispute with the US over arms supplies, quite apart from weakening Turkey militarily, has brought home to the country's leaders the danger of relying on a single source of supply for the bulk of its weaponry. The sudden military isolation experienced by Turkey following the American arms embargo has led both to the speeding up of the programme for a domestic armaments industry and a questioning of some of the assumptions underlying Turkey's heavy defence expenditure. In this field also, politicians are asking whether closer ties with neighbouring Islamic nations on the one hand and the Communist bloc on the other might reduce the need for heavy defence spending in future. That there are influential Turks who are thinking in terms of foreign, defence and economic policy reappraisal is not merely the result of pique at the frustrations experienced during the years of pro-Western alignment. Much positive thinking in this direction has taken place during the last few years. In an interview eighteen months ago, Mr Ecevit, a possible future Prime Minister, stressed the need to re-examine Turkey's foreign policy in the light of Soviet-American détente and also to take into account Turkey's geographical location as a natural bridge between Europe and Asia.

Another indication of possible future trends lies in the increasing contacts Turkey is having with member states of the Islamic world. In 1975, Turkey was represented at the Jedda Conference of Islamic Foreign Ministers at full ministerial level for the first time. In 1976 the same conference was held in Turkey herself—surely a sign of the country's growing interest in the Islamic world. Whether Turkey will, in fact, be prepared to pay the full price for diplomatic and economic support from the Islamic countries is another matter, but the attempt to broaden out Turkey's foreign policy and make it less dependent on the West has already begun.

It is not impossible therefore, that the next few years will see a gradual re-alignment of Turkey's position to one of armed neutrality. In this situation Turkey could act as a link between Islamic South West Asia with which she is establishing closer ties and with Europe, of which Turkey regards herself as an integral part. This is, it may be argued, an appropriate role for a country with territory on both continents and a close involvement with their earlier historical development.

G. M. BOWDER

Britain and a European foreign policy

LAWRENCE FREEDMAN

BRITAIN, economically weak, increasingly dependent upon others, and unable effectively to project military power far beyond the geographical confines of Europe, is no longer seen as a 'great power'. Depending upon the preferred metaphor, the British are now only second-class, middle-range, lower in rank, slipping in the league table and down in the batting order (if still in the first eleven) and so on. For those concerned about this slippage in international status and influence, Britain's entry into the EEC offers a real possibility of concerting her foreign policy with those of her partners, so recovering her lost international position. 'Are we', asked Edward Heath, 'going to stay on the centre of the stage where we belong, or are we going to shuffle off into the dusty wings of history?'¹

It is argued, moreover, that international activity is increasingly being channelled into multilateral fora, dominated by either super-powers or conglomerates of smaller powers. With limited resources, it seems to make sense to band together with our closest colleagues as a grouping that can deal 'on equal terms' with others. This is the official rationale for a common European foreign policy:

¹ Speech of 5 April 1975. This was the concluding quote in the pro-EEC manifesto for the June 1975 Referendum campaign.

The author is Research Fellow at the Royal Institute of International Affairs. This article is based on a paper first prepared for a Study Group connected with the Institute's current project on *British foreign policy 1975-85: options and priorities*.

Although in the past the European countries were individually able to play a major role on the international scene, present international problems are difficult for any of the Nine to solve alone. International developments and the growing concentration of power and responsibility in the hands of a very small number of Great Powers mean that Europe must unite and speak increasingly with a single voice if it wants to make itself heard and play its proper role in the world.²

Whatever its doubts concerning the internal development of the Community, the British Government has expressed considerable interest in the possibilities of a common foreign policy. The late Anthony Crosland, as Foreign Secretary, spoke in Blackpool last September of how, inside the Community, Britain could 'have an influence that would be beyond its capacity if it remained outside'.³ In inaugurating the British Presidency, he told the European Parliament:

I expect the Community in the years ahead to wield a growing influence on world affairs. Certainly the world more and more expects to hear the Community's voice in international affairs. Whatever our internal disappointments, the Community's external potential is enormous.⁴

An alternative approach is to insist on 'freedom of international speech and association' for Britain. Those of this opinion wish the Government to assert a distinctive national line on all matters that come up for discussion on EEC agendas and tolerate no concessions for the sole purpose of demonstrating European solidarity. No benefit is seen in an increased European contribution to international debate, if this contribution has no discernible British content. There is suspicion of any indication that control over British foreign policy is being handed over to Brussels.

There are, therefore, grounds for a debate over how much Britain ought to 'Europeanize' her foreign policy. In such a debate the Government would no doubt find a middle position, welcoming European agreement where it can be reached while providing assurances that no joint initiatives will be countenanced if they blatantly contradict Britain's essential interests. In keeping with their national character, the British will be pragmatic, as each issue arises it will be considered on its merits.

Pragmatism, however, while always a welcome attribute in a politician, is no substitute for a policy. Having made the fundamental decision to join the Community, it is difficult to distinguish continually between matters which ought to remain under exclusive national control and those which can be considered for joint EEC initiatives. In an attempt to treat each issue on its merits major questions of substance and principle may be decided inadvertently. Agreements reached on domestic policy have

² Copenhagen Statement on European Identity. 14 December 1973.

³ Speech of 28 September 1976, reprinted in *Socialist Commentary*, November 1976, p. 9.

⁴ Speech to European Parliament of 11 January 1977.

unavoidable implications for external policy; pressure from other groups might force the Community to act as a unit; in Council trade-offs, support on one internal issue may require a foreign policy concession in return. The process of European co-operation has its own logic which makes it difficult to avoid irrevocable commitments.

This is not to say that, having embarked on a European route, we shall inevitably be pulled right along, whatever the resistance. The point is that there is more than one route. Unfortunately, official EEC documents tend to describe the potential of a common foreign policy in a mixture of soaring phrases and vague generalizations which manage to convey an impression of a future international role of great activity, important for the well-being of not only Europe but all mankind. What is misleading in this vision is the implied suggestion that there is but one 'European way' forward, when in fact there are a number of ways, each with its own attractions and problems. A European foreign policy, like a national policy, involves hard choices over priorities and judgements over the competing costs and benefits of alternative options. The aim of this article is to discredit the official 'ideal' of Europe's proper role in international affairs and, in discussing other, more limited roles, to indicate the sort of questions that the alternatives might pose for British politicians.

A world role

In the 1973 Copenhagen statement on European Identity it was stated:

The Nine intend to play an active role in world affairs and thus to contribute, in accordance with the principles and purposes of the United Nations Charter, to ensuring that international relations have a more just basis; that the independence and equality of States are better preserved; that prosperity is more equitably shared; that the security of each country is more effectively guaranteed.

Elsewhere in European documents there are many statements about Europe's role in maintaining the 'international equilibrium'. The June 1975 Commission Report said:

In view of its geographical position and its commercial and economic power, Europe is right at the centre of some of the most critical and delicate problems which affect the equilibrium of the world. There would be risks if others tried to fill the vacuum which its lack of initiative has created in so many fields

We can expect the EEC to have a significant role in all European issues and the organization of the international economic system. But what of 'an active role in world affairs'? The EEC is supposed to take up collectively the sort of role that individual members were once able to take on

by themselves. But a world role means more than unified stands at international gatherings or the organization of compromise resolutions at the UN. It presumably means a readiness and capacity to intervene in the affairs of regions other than Europe, solving their crises and defining their political complexions. Having almost completed a long process of disentanglement from various parts of the world, are we really anxious to return once more? The responsibilities and sacrifices of such involvement can be, as we know, quite onerous. For the moment, Britain has an interest in gaining Community support in easing the process of withdrawal from her past commitments, particularly in Cyprus and Rhodesia, though the main support has still had to come from the United States. We may be interested in the future in support over such matters as Gibraltar. But the net result of success in these efforts will be to make Britain more 'regional' and less 'global'. If the EEC does develop global interests, they will probably be concentrated in those regions which EEC members once colonized. The British, on this premise, will stay in Southern Africa. By the same token, recently there might have been efforts by the EEC, through the French, to find peaceful settlements to the civil wars in Cambodia, Lebanon and Zaïre. If geography is going to determine interests, then the projected expansion of the Community is going to lead to a greater involvement in Mediterranean and North African affairs.

If Britain is to return to an active global role, then she needs to look to the power resources available to support such a role. In terms of military resources, with the partial exception of her nuclear forces, she has already agreed to commit the bulk of her forces to Nato. However, this arrangement only covers a clearly defined set of eventualities. There has been nothing comparable to govern the use of forces outside Nato areas (the other treaty organizations being ineffectual). As Britain is now abandoning non-Nato military commitments, there is unlikely to be great interest in reviving them as an instrument of European foreign policy. It should be noted that any moves towards a common EEC defence policy, especially if this involves releasing the United States from its major Nato responsibilities, would require such a concentration of effort to fill gaps in regional defences as to preclude any wider military deployments.

In the absence of an EEC 'intervention force', a European global role would probably be based on the exercise of 'commercial and economic power'. The efficacy of this power within Europe was indicated when the EEC was able to offer the Portuguese Government attractive incentives to stay on the democratic path. The use of commercial and economic power in support of broad political objectives has implications for the overall character of the Community. Ought a trading bloc, with a main purpose of promoting the economic self-interest of its members, dissipate its energies in support of broader political objectives? Can Europe afford

a foreign policy that attempts to do more than facilitate international trading? At the moment, the British contribution to the common pool of commercial and economic power cannot be large. This already puts Britain in an awkward position when international moves which involve expenditure, such as concessions at the Conference on International Economic Co-operation (CIEC), are being considered by the Community. The issue is not simply what weight we can bring to the collective effort but also what sort of political factors are to govern our trade with other countries, especially when we need customers more than customers need us. As an illustration, we can take the question of arms sales. As can be seen from the current debate going on in the US, it is hard to reconcile an aggressive arms exports drive with a sense of responsibility for the peace and quiet of particular regions. Another illustration: British aid policy is geared towards maintaining links with former colonies in the hope that they will continue to act as a market for British goods. A common aid policy, while increasing the EEC's collective influence in the Third World and probably improving the efficiency with which aid is distributed and applied, would weaken Britain's national links with countries such as those of the Indian sub-continent, perhaps denying her the benefit of a trade quid pro quo.

Problems of coherence

Aside from pretensions to recover the lost international influence of some of its larger members, a major premise of the Community's official statements on the need for a common foreign policy is that the 'group' is the most efficient unit for the conduct of international affairs. It is argued that the organization of the international system into a limited number of coherent groups obviates the needs for a mass of cross-cutting and overlapping bilateral negotiations, thus making international dialogue more manageable. The June 1975 Commission Report on European Union even notes that

By presenting a united front, Europe would at the same time be meeting a need felt by a growing number of our partners, who would already like to be able to deal with Europe as such and regret the slowness and difficulty of our efforts, and the consequent failure to take the initiative.

However, while it is undoubtedly true that coherent groupings may make international bargaining easier to conduct, they can also make it a lot tougher. A coalition might be less flexible in negotiations because of the problems that particular concessions pose for individual members. There would be reluctance to move from common positions laboriously established in inter-Community discussions. If concertation becomes an end in itself, as a means of demonstrating 'unity', however artificial, then

the quality of the policy itself is likely to suffer. We shall bring to international negotiations the lowest common denominator or, even worse, a patched-up compromise which lacks internal consistency and is remote from the issues at hand.

That is why it is unlikely that anything by way of a radical foreign policy will emerge from European deliberations. At a time when we act, more or less, as a status quo power with reformist tendencies, this may not be too worrying. There is, nevertheless, some pressure in Britain for a more radical approach, with attacks on the bloc system in Europe, support for liberation movements, an attitude to the international economic order sympathetic to the demands of the 'Group of 77' and so on. Such views are unlikely to command a consensus amongst our partners in the Community. Though the chances of successful initiatives might be greater with full European support, the chances of getting that support decrease the more radical the proposed initiative. The same tendency may encourage an unwillingness to take moral stands.

The problem of consensus building is liable to be exacerbated by further enlargement of the Community. It is a good rule of thumb that the larger a political coalition gets, the more unmanageable and immobile it becomes. If the EEC continues to expand (perhaps ultimately including the countries currently under Soviet domination), may we eventually end up with an organization without a sense of common purpose to hold it together, as the OAU would be without South Africa, or the Arab League without Israel?

There is, on the other hand, a countervailing argument here. One of the major purposes of the whole European experiment has been to provide a means of controlling and minimizing the rivalries and distrust that have stimulated two world wars this century. The continued success of this experiment, which is not currently in doubt, constitutes its major contribution to global peace. A sustained concern with regional stability might be the most valuable form for a common foreign policy to take—though it would mean a concern with non-Treaty of Rome matters, such as the promotion of liberal democracy and the maintenance of the current arrangements for Western European security. Already, EEC policy on the crises of Southern Europe, such as Portugal and Cyprus, has been informed as much by Nato as strict Community interests. The issue is whether the problems of Southern Europe, undeniably crucial to the future of the whole Continent, should be dealt with by the Community as part of its foreign policy or through enlargement as part of its internal problem-solving. Should it sacrifice a measure of internal cohesion for the sake of a greater say in the overall political development of the Continent?

How much of a sense of common purpose can be created even amongst the Nine is a matter of debate. Observers of political co-operation have

noticed how the disciplines of international negotiations, when time is pressing and a vote needs to be taken, have helped to concentrate the collective European mind. Thus the successes at the UN and at the Conference on European Security and Co-operation. When other nations or groups insist on treating the EEC as a single entity, it encourages the Community to regard itself as such. An external threat, such as Third World demands for a new economic order, is a well-known incentive for togetherness. Yet such circumstances are not sufficient to forge unity if there are no distinct European interests to be protected and promoted.

But a shared European interest is not necessarily peculiar to the EEC. It is part of the 'West' in competition with the 'East', of the 'North' facing the challenge of the 'South'. The EEC is not always the most appropriate instrument for multilateral diplomacy. Even though the EEC may act as a distinct group within wider 'Western' groupings such as the OECD and, to some extent, Nato, there are many issues where the natural coalitions divide the EEC. The question of sharing the OECD balance-of-payments deficit with Opec is one such issue. Unity might be forged in picking arguments with the US over monetary policy or with Japan over trading practices. But it may also be the case that such arguments make pressing problems even more intractable. Similarly, a sense of independence may be created by taking over full responsibility for the defence of Western Europe. This might release Europe from a sense of obligation to the US, and so allow bargaining between the two to be less restrained. However, a common defence policy would provide the EEC with an all-absorbing task for a number of years, especially given the Soviet Union's well-known objections to the EEC gaining a military dimension. In general, the circumstances in which a sense of European unity and common purpose will thrive are likely to be those of deep international divisions.

Whose voice ?

A major hypothesis stimulating the advocacy of a strong common foreign policy is that major diplomatic business is now being conducted in large all-inclusive international fora, in which Western Europe and/or the West need to be organized into a tolerably coherent group. There are very good reasons for believing that the significance of these large international congregations has been exaggerated and is anyway on the decline. One reason for this is that they are too cumbersome and too diffuse to manage anything but the blandest output. Another lies in the fact that those commanding a majority because of their sheer numbers (for instance, the Group of 77 at the United Nations) do not command the power to act upon their decisions. Their ineffectiveness combined with the urgency of many international problems means that more effort is being devoted to smaller, more exclusive, meetings which allow for more constructive action. The progress made in the nuclear suppliers group as

against the NPT conference during 1975 is one good example of this. Another might come from comparing UNCTAD with the CIEC in Paris, though the North-South dialogue suffers from an uncertainty over the status of any conclusions that might result from this dialogue.

Britain has, at the moment, a rather privileged position as a member of practically all of the relevant fora, akin to that of the senior partner who is kept on the board because he was one of the founders and provides a link with the past. Furthermore, it has been taken for granted by many British politicians that Britain is one of the key powers in the Community. By reason of size and GNP this is not an unreasonable assumption but it is doubtful if it can be taken for granted in the future. If it cannot be taken for granted, then we are going to have to face a set of problems that the smaller members of the Community have always had to face. If the Community is to act as a serious political force, and if this is to be in small exclusive fora rather than large inclusive ones, then the question of who is to speak with the voice of Europe becomes more pointed. This has already provided some awkward moments—with our seat at the Energy Conference when our sense of overriding national interest meant that it was difficult to envisage anyone else speaking effectively on our behalf. It has also arisen for other members of the Community with the question of representation at the Puerto Rico economic summit at which Britain, Germany, France and Italy attended without any spokesman of the EEC as a whole and with the smaller members feeling that they lacked a voice. The issue has returned with the question of the invitations to the May economic summit in London. The British remained passive as the French fought with the smaller countries over whether the Commission President should be invited to the summit, indicating a lack of British thought on this matter. This question has also come up in connexion with our seat on the UN Security Council. Because of the not unreasonable Third World demand that Europe should have only one seat and not two on the Council, Britain and France have discouraged visible EEC consultations, though such consultation is quite intensive and fruitful for General Assembly matters.

The problem is twofold. The more Europe is to speak with one voice, the more pressures will develop for this voice to come from the Commission or the country holding the Presidency of the Council. Failing this, the major European countries attending exclusive meetings will be increasingly expected to act as representatives or preferably delegates, that is, to put forward the European position even when it diverges rather drastically from national positions. It is not being suggested that Britain could, in general, expect to sustain a level of influence outside the Community that she could not maintain within. All that is being suggested is that our established membership of important international bodies provides us with influence we might lack if membership were to be allotted

anew. It might therefore be considered that it is in our interests not to reassess the conditions for membership. At the May summit, as President of the Council, are we to be the mouthpiece of the EEC or Britain? Serious progress towards a common foreign policy will thus begin to pose hard choices: to give up privileged positions on international decision-making bodies or to use these positions for the promotion of European rather than British interests, or to accept the voice of another EEC member or that of the Commission. For the moment Britain seems to favour EEC representation at international summits through its most powerful members, and we number ourselves amongst them. The foundations upon which this self-perception is based are not as firm as they once were. If it ceases to be automatic for Britain to be invited as of right, would we be happy to find ourselves continually represented abroad by Germany (or France)? If not, will we, as do many of our smaller partners already, prefer representation by the country holding the Council Presidency or the Commission?

However the EEC develops as an international actor, there will be a tension between the logic of concertation and the inclination to national independence. The strain on national sensibilities will vary according to the character of the foreign policy adopted by the Community. The main argument of this article has been that Britain, with her partners, needs to think more about the sort of foreign policy she wishes to adopt. There is a choice. Britain may prefer that the Community concentrates solely on matters of international trade where its sense of common purpose may be at its greatest. It may be that the Government still hankers after some global role and wishes, through the Community, to play at junior crisis manager. It might see attractions in an effort to make Europe self-sufficient in all spheres so that it can take on all-comers on 'equal terms'. It may feel that the Community has a major responsibility for the stability of the European region and must devote its energies to incorporating new members without excessive strain. To opt for any of these alternative policies involves possible costs and benefits. The main point is that it cannot opt for them all.

The Community and Comecon : what could negotiations achieve?

JOHN PINDER

It is the East Europeans, not the Soviet Union or the Community, who have an immediate economic need for bilateral trade negotiations. But for all partners the long-term development of East-West relations will be inhibited without negotiations based on new concepts of reciprocity.

THE path towards trade negotiations between the European Community and the Comecon countries has been far from smooth. In line with the Soviet policy of refusal to establish normal relations with the Community, the Comecon governments failed to answer the Community's invitation, issued two and a half years ago, to negotiate bilateral trade agreements. Instead, over a year later, in February 1976, Comecon proposed to the Community a complex of bilateral and multilateral negotiations, including 'direct contacts, conventions and agreements between the member countries of Comecon and the bodies of the EEC, between the member states of the EEC and the bodies of Comecon, and between their economic and competent organizations'.¹ There was no indication as to how far trade matters would be negotiated by Comecon and how far by its member countries. The delay of over a year and the vagueness of the formula reflected the difficulty of reaching agreement in Comecon about the responsibility for trade negotiations.

The lack of general trade negotiations with the Community is of little direct concern to the Soviet Union, whose exports to the Community, being mainly raw materials, are not much hampered by trade barriers. The East Europeans, on the contrary, export to the Community mainly manufactures and foodstuffs such as encounter substantial protection, and they have a real need to negotiate about this. Since 1968, the Soviet Union has been promoting economic integration within Comecon as a means of ensuring stability in the bloc; and the eagerness of East Europeans for negotiations with the Community offered an opportunity to Soviet policy to secure their agreement to an integration of Comecon's

¹ *Agence Europe*, Luxembourg, 25 February 1976.

Mr Pinder is Director of Political and Economic Planning, London, author, with Roy Pryce, of *Europe after de Gaulle* (London: Penguin, 1969) and, with Pauline Pinder, of *The European Community's Policy towards Eastern Europe* (Chatham House/PEP European series No. 25, May 1975).

external economic relations, which had hitherto remained the responsibility of the individual member countries. There was, however, among East European governments much reluctance to hand over competence for trade negotiations to Comecon, which the Soviet Union, with its size and strength, inevitably dominates. The vague formula reflected an unresolved difference as to how far Comecon's competence should reach.

The Community, for its part, saw no reason why the Comecon countries should not themselves answer its invitation to negotiate, nor did it wish to act in such a way as to enhance the role of Comecon, and hence Soviet control over the East Europeans, in the field of trade. Nor, as will be argued later, does the lack of negotiations cause any more economic worries to the Community than to the Soviet Union. The Community, therefore, after delaying another nine months, replied in November 1976 to Comecon that it still envisaged trade agreements between itself and each of the Comecon countries, although it would be willing to make an agreement with Comecon on the establishment of working relations between the two groups on matters such as statistics, forecasts and mutual initiatives regarding the environment, which are outside the field of trade relations or industrial co-operation.¹

This rather dusty answer could presage another long wait before Comecon replies and perhaps an indefinite delay before formal trade negotiations begin. But there are pressures in the other direction. East European countries such as Poland and Hungary urgently need to reduce their reliance on borrowing by increasing their exports to the West, and the Soviet Union must be concerned about the possible consequences of a policy that hinders their efforts to do so. Secondly, the Comecon ban on bilateral trade negotiations is beginning to crumble at the edges with specific negotiations between the Community and East Europeans on textile trade. Thirdly, and somewhat dramatically, the Russians, followed by the Poles and East Germans, came to Brussels to negotiate with the Community about North Sea fishing, as soon as the Community imposed its 200-mile limit. Although they reiterated that this did not imply 'recognition' of the Community, it surely does strengthen the hand of those in Comecon who want to find a way for trade negotiations to begin. So Comecon may well respond to the Community, even if the response is, again, not free of ambiguity. It seems not untimely, therefore, to consider the Community's interests in the possible trade negotiations: what it could gain from them, or what it might lose if they do not take place.

The Community and the Soviet Union

Trade with Comecon countries is important to the Community, being not much less than its trade with the United States. But the relationship

¹ *Agence Europe*, 15/16 November 1976.

between trade and trade agreements is far from clear. Europe is now in the third year without trade agreements between Community and Comecon countries, yet the trade continues much as before. We will later examine reasons why trade negotiations may be helpful to trade. But it is not inappropriate to look at their political implications first.

The Community's political interests in relation to the Soviet Union are, of course, vital. It is more important to use the Community's economic strength to counterbalance, where possible, Soviet military power than to gain marginal advantages from trade; and it is also more important to avoid driving the East Europeans into greater economic dependence on the Soviet Union. If trade negotiations affect these political issues, their economic implications for the Community are of secondary significance.

Soviet policy was certainly concerned about the political consequences of unity in Western Europe when it opposed the establishment and development of the Community.³ Conversely, the Community impresses its political weight on the Soviet Union every time its united action has an effect on Soviet interests. This happened when the Nine by their joint insistence got Basket Three onto the Agenda of the European Security Conference (CSCE) and subsequently acted in unity throughout the negotiations; it happened again when the Community's 200-mile fishing limit impinged on Soviet interests; and this is a central aspect of the Community's unyielding line on the form of trade negotiations with Comecon countries. There are arguments against playing the Comecon proposals with such a dead bat as the Community has done. In particular, the risk of forcing the East Europeans to increase their economic dependence on the Soviet Union is not negligible. But the Community's policy has had the merit of demonstrating that it is a force with which the Soviet Union must reckon in the shaping of political relationships between East and West.

The Community inherited the idea of bilateral trade negotiations from its member states, which had bilateral trade agreements with each Comecon country. While East Europeans saw these bilateral negotiations as opportunities to reduce the barriers to their exports in Western markets, it was not clear what the Western governments sought to gain from them, and it is not yet apparent what economic benefits the Community would hope to secure for its member countries in trade negotiations with the East.

The main subjects listed in the Community's invitations to state-trading countries to negotiate bilateral trade agreements were most-favoured-nation tariff treatment, import quotas, agricultural trade, pay-

³ For an account of the development of Soviet policy towards the Community, see Eberhard Schulz, *Moskau und die europäische Integration* (Munich: R. Oldenbourg Verlag, for the Deutsche Gesellschaft für Auswärtige Politik, 1975), p. 72 ff.

ments and financing mechanisms, and safeguards against market disruption.⁴ In each of these, except market disruption, it is the Eastern side that must be expected to demand and the Community to concede. For the prevention of market disruption, the state-trading countries have no need to seek Western help, because their central control over imports enables them to insulate their domestic markets from such disruption by what amounts to a system of import quotas, annually adjustable upwards or downwards, and import levies. The Community countries, on the contrary, apply quotas to only a minority of their trade, generally relax rather than tighten them, and instead of variable levies apply tariffs that are reduced through successive multilateral trade negotiations. They are, therefore, open to market disruption and seek the help of state-trading countries in preventing it.

Even this is, in reality, a concession to rather than by the East. For where the state-trading countries protect themselves against disruption, they do so unilaterally, without consulting their Western partners; and the Community would be acting reciprocally if it did the same. When anti-dumping duties or quotas are imposed, as has been done during the current recession, the Community side is doing just that. But it also employs the alternative method of asking the Eastern partners to keep their prices higher (i.e. to impose an implicit Eastern export levy in place of a Western import levy), and offers to negotiate with the Eastern countries about its methods of preventing disruption; and all this seems more like a concession by the Community than by the other side.

Even if the Community's list implies offers rather than demands, are there less specific economic benefits that the Community can hope to obtain from negotiations? In the CSCE, the Community sought more open business contacts and better market information from the East, and this was certainly useful, but not seen as part of a reciprocal bargaining on trade. State-trading countries claim that they reciprocate by spending their export earnings on imports; and so they do, but this is a function of trade, not trade negotiations. Or it may be argued that the planners of state-trading countries cannot bring themselves to expand trade satisfactorily without the framework of a trade agreement, which performs the function of a psychological reassurance for the planners or a public relations exercise for the Western partner. There is doubtless something in these arguments, and in the belief that new ways to develop trade in the future are more likely to be found if there are bilateral negotiations on trade, in addition to the negotiations that still take place between the member countries of the two groups on industrial co-operation. But there is so little of immediate or specific economic self-interest for the Community to expect from bilateral trade agreements, that one can hardly suppose that any political obstacles to negotiations would be overcome

⁴ *Agence Europe*, 28/29 October 1974.

without a substantial material interest in them from the other side

At least until the irruption of fish on to the stage, this could hardly have come from the Soviet Union. Soviet spokesmen make much of the right to most-favoured-nation treatment, but the Community already applies mfn tariffs to its imports from the Soviet Union. Tariffs do not anyway impede the two thirds of all Soviet exports to the Community that consist of raw materials; with few exports of foodstuffs, there is little trouble from the Community's agricultural protection; and Soviet exports of manufactures tend to be items such as machinery which attract low tariffs and are not restricted by import quotas.

The Soviet Union, with a deficit of at least \$4,000m. in its trade with the West in 1976, wants credits which need backing for their insurance by Western governments and are sometimes subsidized by them. But although it has now been established that minimum interest rates for export credits are a Community responsibility, other aspects of credits are discussed in negotiations on co-operation, which unlike trade negotiations are still handled by the Community's member governments. Since the common commercial policy, for which the Community is responsible, concerns tariffs, quotas and agricultural protection which have little impact on Soviet trade, the Soviet Union can raise any matters that do affect it in the co-operation negotiations with member governments.

This raises the question whether the Community's member countries would not benefit by dealing with some aspects of economic co-operation with the Soviet Union in common. The Commission has proposed that a Community export bank be set up to insure and provide export credits. Even though this would not replace the member governments' equivalent institutions, but only supplement them where a multinational effort is required, the Council of Ministers turned the proposal down. Although there is consultation among member governments about their co-operation agreements, moreover, no action has been taken on suggestions that Community industries could benefit from a Community capacity to negotiate co-operation agreements in parallel with those of the member states. Yet when the United States, as it surely will, removes the legislative hindrances to participation by the Export-Import Bank in projects relating to the Soviet Union, Community industries without Community financial support will be unable to match the scale on which the Americans can operate; and the Soviet Union will draw political conclusions from the Community's inability to act in common in matters which are much more important, in this context, than the common commercial policy.

Neither the Community nor the Soviet Union, then, has much immediate economic interest in trade negotiations; and the member governments refuse to give the Community competence or instruments to act in the field where it could carry weight with the Soviet Union. The Community's political weakness, the Soviet Union's political strength

and the lack of economic interest of either in trade negotiations present the most unfortunate combination that could have been devised to create difficulties for East Europeans who have real economic problems on which to negotiate with the Community.

The Community and the East Europeans

It is the East Europeans' misfortune that their exports, unlike those of the Soviet Union, conflict with powerful domestic interests in the Community: the farmers, and the textile and other sensitive industries. Gains for these exports are losses for the workers and firms in such sectors, already hard hit, defensive, and politically active. The weakness of the Community institutions enhances the difficulty of taking decisions on commercial or agricultural policy that favour this trade. At the same time, Soviet political power has prevented the East Europeans from accepting the Community's invitation to negotiate bilaterally on trade, which would enable them to impress upon the Community issues that are vital for their economies, some of which depend for 5 per cent or more of their GNP on exports to the Community. All the costs of the ban on trade negotiations have been borne by the East Europeans. The Soviet Union, with its relative immunity from the economic impact of Community policies, has lost nothing; and the alacrity with which formal negotiations began as soon as a specific Soviet interest was threatened by the Community's fishing policy shows how different Soviet policy on trade negotiations might have been had real Soviet economic interests been at stake.

Here again, the Community is likely to have cause to regret the weakness of its institutions and its failure to embody in its policies the member countries' common political interests. For, to the extent that the Community restricts its imports from Eastern Europe, the East Europeans are forced into heavier reliance on the Soviet economic link. The consequence can be immediate and direct, as when the Soviet Union bought the beef, central to Hungary's agriculture and exports, which was excluded overnight by the Community's ban on beef imports. The effect will usually be less definite and dramatic; but it is nevertheless of major political concern to the Community, and it is essential that due weight be given in Community policy to the particular economic needs of East European countries.

If it were not for the Community's political and institutional weakness, which inhibits hard decisions on matters such as quotas or agricultural policy unless there is a political deadline like the opening of formal trade negotiations to be met, the East Europeans' needs could already have been satisfied by the means which are now available. Thus Czechoslovakia, Hungary, Poland and Romania are members of the General Agreement on Tariffs and Trade (Gatt), entitled to articulate their interests with respect to tariffs and other matters that arise in the multi-

lateral trade negotiations. Romania, in addition, benefits from the Community's generalized preference scheme. Bulgaria could do the same but has chosen to remain with only observer status in Gatt. East Germany, under a protocol to the Treaty of Rome, enjoys tariff-free entry into the Federal Republic and even derives some benefits from Community farm price support; it has been wryly called the Community's tenth member, and other East Europeans have been known to ask whether the GDR does not prefer to keep these preferences at their present level rather than risk some erosion in the event that Community barriers against other East Europeans' exports should be reduced as a result of trade negotiations.

The Community, when it moved formally to the common commercial policy on 1 January 1975, inherited a set of national import quotas that had, in most member countries, been reduced to a hard core restricting fairly short lists of sensitive products. It was decided not to rationalize these national quotas into Community quotas except where this could be done without imposing any new restriction on the imports of one or other member state. In effect, the existing national quotas have been maintained, with a Community label, until such time as they can be rationalized in the course of a process of liberalization. Meanwhile, however, the Western recession, combined with active selling by East Europeans determined to reduce their trade deficits, has brought new claims of market disruption, with pressure for anti-dumping duties and tighter restrictions instead of further liberalization.

The same pressures are creating difficulties for the Multi-Fibre Agreements, which could provide a satisfactory framework for steady relaxation of the quotas on textiles (including clothing), which comprise a substantial part of the exports from Eastern Europe on which quotas are applied. These agreements are negotiated in the context of Gatt, and the Romanians concluded one with the Community last year. The Hungarians and Poles have also indicated their readiness to negotiate similar agreements, but negotiations have not begun and there are fears that the undoubtedly great difficulties of the Community textile industries may stand in the way. In the calculus of Gatt, imports of textiles from Far Eastern contracting parties may have equal or superior claims to those from East European countries such as Poland which have acceded to Gatt on rather special terms. But the political interests of the Community countries speak strongly for a favourable arrangement for Poles and Hungarians as well as Romanians; and the dragging of feet would be another example of the Community's failures to give weight to political as well as commercial objectives.

As it is, when Community imports of textiles or other products are restricted, the East Europeans tend to come off worst. Since they have failed to establish normal relations with the Community, it is perhaps not surprising that they come at the end of the queue. But the political

consequences for the Community can hardly be good; and there would be much to be said for a general procedure for the steady relaxation of quotas on imports from Eastern Europe, similar to that incorporated in the Multi-Fibre Agreements. The system of safeguards being discussed in Gatt, whereby a controlled form of restriction could be applied on imports from particular countries, could offer a basis for this with respect to the East European participants in Gatt. The protocol relating to Hungarian accession to Gatt did, indeed, offer a prototype for a safeguards system. But the Community, inhibited no doubt by the pressures for protection as well as by the political hiatus while trade negotiations are still awaited, has not yet taken this opportunity to develop a satisfactory model for dealing with its quotas on East European trade.

If formal trade negotiations with the East Europeans are agreed, the Community will undoubtedly decide on an offer of quota relaxation, for this would provide the political pressure to squeeze a result out of the complicated process of horse-trading whereby the member governments reach agreement on such matters. There is no economic logic in this, because, as we have seen, the Community does not appear to expect specific economic gains of any significance from trade negotiations. But the way the institutions work provides a political explanation for it; and this is one reason why trade negotiations would help to alleviate some of the East Europeans' problems.

The same can be said of agricultural protection. Not that the Community discriminates against East Europeans in particular, as it does with import quotas. But there are aspects of the common agricultural policy which are especially detrimental to East European export trade, and where some adjustments by the Community would be significantly helpful. Without any formal negotiations, the Community has in fact made agreements with East European countries on minor matters such as the suspension of supplementary levies on some products on condition that the East Europeans respect the Community's minimum prices. Given, again, the political stimulus of formal negotiations, the Community could do more to improve the East Europeans' access, as it did when it allowed a degree of preference on its imports of Yugoslav baby beef. Technically, more substantial concessions are possible, as has been shown in trade agreements with Mediterranean and Lomé countries. How far the Community would go depends, however, on the political background and on what the East Europeans might offer in return.

Many of the East Europeans' needs could be met through multilateral negotiations in Gatt, bilateral agreements on specific products like the Multi-Fibre Agreements, or autonomous decisions by the Community regarding its quota and agricultural policies. As with the Soviet Union, moreover, matters outside the scope of the common commercial policy

can be dealt with in co-operation negotiations with the Community's member governments: with the difference, however, that the combined weight of the Community is not required in order to give its member countries enough bargaining power in relation to the East European countries, although Community action could be helpful if the payments problems of Poland, and perhaps other countries, should call for multinational support. The political event of a formal trade negotiation would cause the Community to do more for the East Europeans than it does by these existing methods, even though the economic motive for concessions will remain unclear, until there is some change in the content of East-West trade negotiations, by way of some more tangible reciprocation from the Eastern side.

Negotiations and reciprocity

To stress the issue of reciprocity may be interpreted as an attempt to place an obstacle in the way of negotiations. But there are good reasons to believe the opposite. If an agreement is not so much a bargain as a bundle of unilateral concessions, the party conceding them has little incentive to make concessions that really count. Negotiations and agreements become a ceremonious and expensive way of announcing decisions that should have been taken without them.

Thus, if there is to be a series of substantive negotiations between the Community and the Comecon countries, there must be specific concessions from the Eastern as well as the Western side. Agreement on better contacts and information, as in the CSCE, or on the total value or even direction of trade, as in the case of Polish and Romanian accession to Gatt, which have served as Eastern concessions in previous negotiations, would not provide a satisfactory *quid pro quo* for specific reductions by the Community of its industrial and agricultural protection. For this, the Eastern side too would have to make concessions that affect the composition and terms of trade.

There are two main ways of approaching this. Where price is a significant market mechanism on the Eastern side, tariffs (or quotas) perform an economic function and the reduction of a tariff on a product can lead to a growth of imports. This was Hungary's claim on her accession to Gatt, which was accepted by the Community and other contracting parties, even if with some mental reservations. Despite such reservations, it is in principle possible for state-trading countries to introduce market mechanisms and to use tariffs as a significant policy instrument, and it seems likely that, in varying degrees, they will do so as they strive to solve the problems of managing a complex modern industrial economy.

Secondly, where the planners' detailed instructions on production and investment are the predominant instrument of economic management, as is generally the case in Comecon, the composition of imports depends

on the planners' decisions about investment and production; and a meaningful reciprocation of Western liberalization would be a decision to refrain from investing in the production of a particular product and thus leave room for imports.

This is neither an unprecedented nor a difficult concession for the Eastern side to make. Within Comecon, it is already an important form of agreement among governments, under the name of specialization agreements. Between East and West, some forms of industrial co-operation agreement are analogous. In negotiating about this, the Comecon countries would help to transform the existing official trade and co-operation agreements from performing a ceremonial to a substantive function; and the substance would be such as to lend much weight to the negotiations, because it would concern the finding of mutually compatible and beneficial paths of economic development on both sides.

Since negotiations within the West are coming to concern investment choices as well as trade protection, for example in the recent cases of ships and steel as well as, implicitly, in the agreements on textiles, it may become normal for Western negotiators too to occupy themselves with the subject. This perspective would require the Community to adapt itself in two ways: by co-ordinating trade negotiations, for which the Community is responsible, and co-operation negotiations with Comecon countries, for which the member governments are at present exclusively responsible; and by a closer co-ordination of official negotiations with those of the firms that make the investment decisions on the Western side. The recent trends in West-West negotiations are making such adaptations more necessary in any event. If the Comecon countries become willing to negotiate seriously with the Community, on the basis of real reciprocal concessions, it would be worth the Community's while to hasten the process.

If the political obstacles can be overcome, then, trade negotiations would help to alleviate some of the East Europeans' immediate difficulties, even if they brought no specific material advantages to the Community or the Soviet Union. In the longer run, it is hard to envisage a fuller development of the potential for trade and co-operation, whether along the lines sketched out above or in other ways, without regular official discussions on the problems of relations between two such different systems, across the whole range of subject-matter now divided between commercial and co-operation policy. If it is merely agreement between the two groups on a general framework of trade policy that is holding up bilateral trade negotiations between the Community and the Comecon member countries, surely the rather ample guidelines already agreed by all parties in the Final Act of the CSCE would serve, together with, perhaps, any further additions or elaborations that may be agreed at the follow-up conference in Belgrade.

Turkish democracy in travail: the case of the State Security Courts

WILLIAM HALE

Do the requirements of state security justify severe legal limitations on the freedom of expression? The story of the special Courts is part of Turkey's search for a stable parliamentary regime as an alternative to military rule.

THE recent deterioration in Turkey's relations with her Western allies has, predictably enough, received more attention abroad than her domestic political problems. Yet it is not impossible to trace part of this deterioration to domestic crises which have inhibited the Turkish Government from taking needed steps in the foreign-policy field. This article attempts to outline an issue which has dominated the internal Turkish political scene over the past year. Current crises apart, the tangled history of Turkey's State Security Courts also raises some long-run problems inherent in Turkish politics. To what extent should the ideology of the Ataturk revolution be enforced by law? Do the requirements of state security justify severe legal limitations on the freedom of expression? These and several other questions are involved in the State Security Courts dispute.

The story of these special Courts is part of the story of Turkey's search for a stable and effective parliamentary regime as an alternative to heavy-handed military rule, either direct or indirect. On 12 March 1971 Suleyman Demirel's elected Justice Party (JP) Government was forced to resign by a 'memorandum' from the armed forces chiefs who claimed, among other things, that the Government had failed to deal with mounting political violence from the extreme Left, or to realize the reforms stipulated in the 1961 Constitution. The Generals did not close down Parliament or the majority political parties, however, and for the following thirty months government was entrusted to civilian coalition cabinets headed by Nihat Erim (March 1971–April 1972), Ferit Melen (May 1972–April 1973), and Naim Talu (April–October 1973). These governments generally followed the policy guidelines laid down by the military commanders. There was a wholesale round-up of political 'extremists', particularly those of the Left, which netted many purely verbal opponents of the regime, besides the genuine terrorists. They were brought

Mr Hale is Lecturer in Politics of the Middle East at the University of Durham. He is the editor of *Aspects of Modern Turkey* (Epping: Bowker Publishing, 1977).

to trial before military courts, whose mandate had to be renewed by Parliament at two-month intervals.

During 1972 the authorities were beginning to turn their attention to the possibility of establishing permanent special courts to deal with political offences. In a later interview, Erim claimed that the ordinary courts were incapable of handling cases involving state security, of which they lacked experience, and had constantly to get advice from security experts, to the inconvenience of both the military and civilian court officials. It was also reported, however, that General Faruk Gurler, who was believed to be one of the prime movers behind the '12 March Memorandum', had made the establishment of such courts a condition for the eventual holding of free elections and (implicitly) the restoration of full civilian rule.¹

Legal framework

The Turkish State Security Courts were established by two legislative acts—firstly, a lengthy amendment to Article 136 of the Constitution, passed by Parliament on 15 March 1973, which outlined the functions and composition of the courts and, secondly, by Law No. 1773 of 26 June 1973, which added details on their organization and sphere of jurisdiction. Law 1773 gave a capacious definition of the charges which were to come within the orbit of the State Security Courts. These included crimes covered by 99 different Articles of the Penal Code, attacks on means of communication and infringements of laws dealing with demonstrations, strikes and lockouts, firearms and the organization of societies.² Of these laws, the most notorious are Articles 141, 142 and 163 of the Penal Code, which are the principal legal weapons in the hands of a Government anxious to control the freedom of expression.

Articles 141 and 142 have mainly been used against the Left, and were introduced into the Turkish Penal Code in 1936 from an Italian model by the Republican People's Party Government, which at that time enjoyed a monopoly of political power. The first of these two Articles makes it a heavily punishable offence to 'form, organize or direct the activities of, or provide guidance for, under any name, any society with the aim of [among other things] establishing the hegemony or domination of a social class over the other social classes, or eliminating a social class, or overthrowing any of the fundamental economic or social orders established within the country'. Article 142 specifies somewhat lighter punishments for those convicted of 'carrying out propaganda' to the same effect.

Penal Code Article 163, on the other hand, is directed against the religiously-inspired right wing and was introduced by the pre-war regime as a means of protecting the secularist reforms, with which

¹ *Yankı*, No. 288, 20–26 September 1976, p. 4.

² Law No. 1773, Articles 1 and 9. I am very grateful to Dr Hükmet Samı Türk and Professor C. H. Dodd for sending me material on this and related points.

Ataturk aimed to exclude the influence of Islam from Turkish political life. It provides for heavy punishments for those who 'establish, organize or direct and administer any society with the objective of basing the fundamental social and political order of the state, even if partially, on religious principles or beliefs', or who publicize such views.

Their sphere of jurisdiction aside, the composition of the State Security Courts has also proved to be a highly contentious issue. Five Security Courts were established, in the cities of Ankara, Istanbul, Izmir, Adana and Diyarbakır. They each had five judges, three of whom were civilians and two were military judges. One of the civilian judges served as President of the court. A civilian prosecutor was attached to each court, aided by assistant prosecutors drawn from both the military and civilian judicial systems. The military judges and assistant prosecutors were chosen by the military authorities, the civilian judges by the High Council of Judges (an independent judicial body) from a short list prepared by the Cabinet. This short list was to include two candidates for each vacancy. The courts' decisions could, however, be subject to appeal before the Court of Cassation, an independent and purely civilian part of the normal judicial system.³

Unstable political background

An important factor in the history of the State Security Courts was the change in the general political climate soon after their establishment. In October 1973 the armed forces chiefs withdrew to their barracks, and free general elections were held. The results were unfortunately indecisive. The social-democrat Republican People's Party (RPP), led by Bulent Ecevit, emerged as the biggest party in Parliament, with 185 of the 450 seats in the House of Representatives, but it lacked either an overall majority or reliable allies. Nor did any party have a majority in the Senate, 150 of whose 184 members are elected, the remainder being nominated by the President or serving *ex officio*. Demirel's liberal-conservative Justice Party retained 149 seats in the Lower House, but lost votes heavily to the Democratic Party, an anti-Demirel splinter of the JP which won 45 seats, and the radical-Islamic National Salvation Party (48 seats). The Republican Reliance Party, a right-wing splinter from the RPP, captured 13 seats, the remaining 10 seats being won by other small parties and independents. After prolonged inter-party negotiations, Ecevit formed a coalition Government with the National Salvation Party in January 1974, but this collapsed the following September as the result of deep ideological divisions between these two unlikely partners. After an interim Government of technocrats headed by an independent Senator, Sadi Irmak, Demirel was able to form a 'Nationalist Front' coalition in April 1975. This included the Justice, National Salvation and

³ *ibid*, Articles 3-6 and 30

Republican Reliance Parties.⁴ It depended for its parliamentary majority on the support of a group of ex-Democratic Party deputies who now returned to Demirel's fold.

It was against this unstable political background that the State Security Courts proceeded with their tasks. Up to the time of their dissolution in October 1976 they dealt with some 540 cases, in which about 3,300 persons were tried. Most sentences were of four to eight years; 143 of the courts' verdicts were referred to the Court of Cassation, which upheld the appeals in 102 cases.⁵ Those convicted included partisans of both ends of the political spectrum. In September 1974, for example, the editor and the proprietor of the left-wing magazine *Kıvılcım* ('Spark') were convicted of breaches of Penal Code Articles 141 and 142, and each sentenced to 36 years' imprisonment by the Istanbul State Security Court.⁶ (To be fair, this verdict was overruled on appeal.) On the other hand, in April 1976 a Mr Kemal Yegin was accused of having proclaimed, in the course of an argument with his fellow-passengers in a bus in Sivas province, that 'We will destroy the Turkish Republic and in its place we will establish the rule of the Islamic law'. The Ankara State Security Court gave him a ten-month sentence for this breach of Penal Code Article 163.⁷

From their very inception, the composition and powers of the State Security Courts had been the subject of fierce dispute by politicians and lawyers. Although some Republican People's Party deputies do not seem to have joined in active opposition to the amendment to Article 136 of the Constitution,⁸ the party's spokesmen had attacked the arrangements for the appointment of the courts' judges. Immediately after Law 1773 was passed by Parliament, the party announced that it would apply for its annulment by the Constitutional Court, an independent judicial body which has the power to cancel legislation which it deems inconsistent with the Constitution.⁹ In the event, it was not this application but another, from one of the State Security Courts themselves, which caused the Constitutional Court to examine the question.

What proved to be a crucial case began in July 1974 in the Diyarbakir State Security Court, in south-eastern Turkey, when a number of members of the *Nurcu*¹⁰ religious sect were accused of a breach of Penal Code Article 163. The prosecutor, however, decided that the case should be

⁴ Also included in the coalition was the pseudo-fascist Nationalist Action Party, which held three seats.

⁵ *Milliyet*, 20 September 1976, *Yankı*, No. 288, 20-26 September 1976, p. 5.

⁶ *Cumhuriyet*, 11 September 1976. ⁷ *ibid.*, 7 April 1976.

⁸ The published figures indicate that around 50 RPP deputies must either have been absent from the House or have voted in favour of the amendment (*ibid.*, 16 February 1973).

⁹ *ibid.*, 14 June 1973.

¹⁰ Followers of Saidı Nursı (1874-1960) who call for the reinstatement of Islamic law and the re-establishment of Islam as the basis of political life.

abandoned, on the grounds that Articles 1 and 6 of Law 1773, from which his court derived its authority and which he had presumably been relying on for almost a year, were contrary to the Constitution. The court supported this view and the question was therefore referred to the Constitutional Court in Ankara. The Diyarbakir court maintained that the Articles concerned were unconstitutional for two reasons: firstly, that the Security Courts were 'extraordinary' tribunals, which were forbidden by the Constitution and, secondly, that the proper procedure had not been applied during the passage of these Articles through Parliament.

In its verdict, delivered in May 1975, the Constitutional Court declined to enter into the question of principle as to the conformity (or otherwise) of Law 1773 to the Constitution. It did decide, however, that during the passage of the law through the Senate, in June 1973, Articles 1 and 6 had not been separately debated, as required by parliamentary standing orders. This was itself contrary to the Constitution. The Court therefore ordered that the whole of Law 1773 should be annulled, with effect from 11 October 1976.¹¹ Unless Parliament re-enacted the law (or something very like it) the State Security Courts would lose their authority, and would thus be dissolved.

At first glance, this decision should not have presented Prime Minister Demirel with an insuperable problem. The Republican People's Party could be expected to oppose the re-enactment of Law 1773, but all the 'Nationalist Front' coalition partners accepted its broad principles, and they had a majority in Parliament. Demirel's difficulties derived from his relations with the Islamic radicals of the National Salvation Party and their mercurial leader, Necmettin Erbakan. The fifty-odd seats which Erbakan had behind him could make or break the coalition, and he was determined to use this leverage to the full. In the last analysis, moreover, he was competing against Demirel for the support of conservative voters. The National Salvation Party was quite content to let the State Security Courts prosecute its left-wing opponents, but objected to the use of the same weapon against those accused under Penal Code Article 163, who were likely to be its own supporters.

The Minister of Justice, Ismail Muftuoglu, a National Salvation Party member, therefore proposed in June 1976 that the new version of Law 1773 should exclude Article 163 from the jurisdiction of the Security Courts. About a month later, Demirel accepted this view. This appeared to mark a change of heart by the Prime Minister, who had supported the whole of Law 1773 when it had first been enacted. Unfortunately for Demirel, however, this concession to Islamic conservatism was strongly attacked by another of his coalition partners, Turhan Feyzioglu, the

¹¹ Constitutional Court verdict, E 1974/35, K 1975/126. Reprinted in Mutlu Kurtulus (ed.), *Devlet Guvenlik Mahkemeleri* (Istanbul: Sorun Yayinlari, 1976), pp 84-116.

leader of the Republican Reliance Party. As a conservative offshoot of the Republican People's Party, the ruling party of pre-war days, Feyzioglu's group could be expected to reject any sign of backsliding from Atatürk's secularism. It therefore contended that the jurisdiction of the Security Courts should remain unchanged. In this it was joined by some Justice Party backbenchers, notably Kemal Atagün, who proposed that Law 1773 be re-enacted verbatim.¹²

Under Turkish parliamentary procedure, draft bills must first be placed on the agenda by an Advisory Committee, before being debated by Parliament. If passed by the House of Representatives, they are then taken to the Senate. The dissension in his Cabinet prevented Demirel from pushing a new Security Courts law through Parliament before the beginning of the summer recess in August 1976. In fact, the disagreement held up a number of other legislative plans. The Advisory Committee refused to lay any drafts before the House unless Atagün withdrew his motion, which he refused to do. There was an early recall of Parliament on 14 September, with the precise objective of passing new legislation before 11 October. None of the parties to the dispute changed its attitude, however, and there were lengthy procedural delays. When the House began to debate the Justice Party's draft bill on 21 September, the Opposition raised a host of objections. Two days later, the sitting had to be abandoned since a number of deputies from the 'Nationalist Front' parties joined the RPP members in absenting themselves from the chamber, leaving the House without a quorum. The parliamentary debate was resumed on 30 September but an opposition filibuster forced the Speaker to order another postponement to 12 October, by which time the Security Courts had duly been dissolved. Even then, the lack of a quorum produced a further recess until 1 November. By this stage it was clear that if the Government insisted on giving absolute priority to the Security Courts question, then all other legislative business would have to be abandoned for several months.

Attitude of labour unions

In the meantime, the circle of the dispute has been greatly widened by the involvement of different wings of the Turkish labour union movement. Thanks to their rapid growth during the 1960s and 1970s, the labour unions have emerged as a new and potentially powerful force in the country's political life. It can be estimated that about 30 per cent of the wage-earning workforce is currently unionized. The unions' political power is, however, limited by their divergent party sympathies. The biggest labour Confederation, Turk-Is, includes supporters of both the

¹² This account is based on contemporary Turkish press reports. Specific references are given only for quotations.

major parties and has therefore tried to follow a 'supra-party' policy of rewarding its friends and punishing its enemies, regardless of their party. On the other hand, the Radical Labour Unions Confederation (Disk), which is considerably smaller than Turk-Is in terms of affiliated membership, has openly supported the parties of the Left. The unions' political attitudes have been dominated by the rivalry between these two Confederations.

Union involvement in the Security Courts argument began in July 1976 when Kemal Türkler, the President of Disk, announced that his Confederation would mount a mass protest against the proposal to re-enact Law 1773, in whatever form. Türkler had evidently been emboldened by the massive turnout at a rally organized by Disk in Istanbul on 1 May, and sought another opportunity to demonstrate his Confederation's popular strength. A general stoppage of work, or 'mourning', by Disk unionists was therefore proclaimed for 16 September.

In the event, members of several Turk-Is unions, besides those in Disk, were reported to have joined the stoppage. Bus and other municipal services were halted in Izmir and Ankara, there was a dustmen's strike in Istanbul and a temporary shutdown in many industrial plants, including oil refineries and a steel mill. By 21 September nearly all the strikers were back at work, though there were continuing clashes in some plants where employers dismissed those who had joined the stoppage. The following day Türkler and four of his colleagues were arrested, but were soon released as the court concerned found insufficient evidence to convict them of promoting an illegal strike. Demirel's reaction was a fierce one, however, since he treated the stoppage as a direct challenge to constitutional authority. 'Political power was not born in the streets and it is not going to reside in the streets,' he declared. He even threatened that 'if necessary' the Government would declare martial law.¹³

The main effect of Disk's action was to bring the issue of the State Security Courts home to the public in a direct fashion, and to score a moral point against the Government and Turk-Is. What it could not do, by itself, was to force the Government to drop the proposed legislation. The survival of the Security Courts depended not on the unions, but on Parliament, and in particular the attitude adopted by the minor coalition partners as well as the Republican People's Party.

On the last score, there was some room for uncertainty. The Secretary-General of the RPP, Orhan Eyuboglu claimed that the party had a 'positive reaction' to the Disk protest, provided 'it does not break the democratic rules'. On the Security Courts in general, he maintained that 'they are not contrary to the Constitution. But we are against the present form and scope of the Courts'. On the other hand, Ecevit, as Chairman of the party, roundly declared that 'the Republican People's Party is

¹³ *Milliyet*, 19 September 1976, 2 October 1976.

against the State Security Courts in principle'.¹⁴ By the end of October, however, it appeared that the party was returning to the more conditional approach outlined by Eyüboğlu. On 31 October it was reported that the party would be prepared to support a new Security Courts law provided, firstly, that Penal Code Article 163 was included in the Courts' jurisdiction and, secondly, that a new procedure was devised for the appointment of their judges.

Nevertheless, Demirel's problem was not solved by this re-definition of policy by the Republican People's Party. Politically, he could hardly afford to back down explicitly on such major points of the proposed legislation. At the cost of postponing all other legislative business, he might have been able to have the Justice Party's draft passed by the House of Representatives, but the bill would then have to pass to the Senate, where the Prime Minister could not count on a majority for his proposals. Rejection by the Senate would mean another lengthy delay, although not death, for the bill. It was not surprising that, faced with this prospect, the parliamentary Advisory Committee relegated the Security Courts bill to the 35th position on the agenda when Parliament re-assembled on 1 November. There was thus little chance that it could be passed by Parliament during the following session. It seemed likely that, in effect, the Security Courts had been killed by default.

Fundamental issues

While the Security Courts dispute may have been fading into the background, however, some of the more fundamental questions which it brought to light could not. In the constitutional sphere, it was always possible that a new Security Courts law would be submitted to the Constitutional Court, and that the latter might annul it on grounds of constitutional principle, rather than the procedural reasons it had chosen in 1974.

This possibility draws attention to the contest between the Government (in particular, the Justice Party) and the Constitutional Court, which has been simmering for some time. Demirel, for instance, has objected to allowing a bench of judges, who are not responsible to the electorate, to exercise wide powers over the elected Parliament.¹⁵ This dispute naturally has parallels in other countries (such as the United States during the 1930s) and is inherent in the present Turkish constitutional system. The alternative, in which no judicial authority has the right to overrule Parliament, arguably led to a severe misuse of its parliamentary majority by the Menderes Governments of the 1950s. Total parliamentary power was deliberately replaced in the 1961 Constitution

¹⁴ *ibid.*, 14 September 1976, 18 September 1976; *Cumhuriyet*, 12 September 1976

¹⁵ Süleyman Demirel, *Büyük Türkiye* (İstanbul: Dergah Yayınları, 1975), pp. 162-3

with the principle of ultimate judicial authority in constitutional disputes. It is unlikely to be re-established in Turkey in present conditions.

It could also be suggested that, in the final analysis, the Security Courts dispute was about the proper extent of civil liberties, and that in this respect the question of the powers and composition of the Courts was less crucial than the nature of the laws they had to enforce—particularly Penal Code Articles 141, 142 and 163. Even if the Security Courts were permanently abolished, the normal civilian courts could continue to convict people for breaches of legislation which many would regard as contrary to the principles of liberal democracy. Several of the politicians involved in the dispute seem to have realized this. In August 1976 the Minister of Justice announced that his Ministry was preparing a new version of Article 163 which would overcome 'certain disadvantages' in the present version, and would presumably be welcomed by his religiously-minded colleagues in the National Salvation Party. It appears that this proposal has not since advanced beyond the preparatory stage. In September 1976, however, Turan Gunes, a leading member of the Republican People's Party, went somewhat further when he remarked that his party favoured a thorough revision of Articles 141 and 142 as well as 163 (the last point suggested a possible alteration of the hardline stand on secularism traditionally adopted by the RPP).

Those who believe that these contentious Articles should have no place in the statute books of a democratic country advance the classic liberal view, that freedom of expression is a fundamental right and that the publication of, say, Marxist literature or conservative Islamic opinions on the role of religion in public life, should not be made illegal for reasons of 'state security'. To do otherwise, they argue, is to attempt to force an 'official ideology' down the throats of the electorate.¹⁶ On the other hand, the rival school of thought maintains that Turkey can only admit a 'restricted form of pluralism' in her political life, which must be closed to 'communism, fascism and theocracy'. In explaining why Turkey cannot adopt the unrestricted pluralism found in the Western democracies, such commentators use an argument familiar in other developing countries. Turkey, they explain, is still a 'young democracy' and lacks the long experience of competitive party politics of the countries of Western Europe.¹⁷ In effect, they seem to fear that unrestricted pluralism might undermine the foundations of nationalism and secularism on which Ataturk founded the Turkish Republic. In this sense, it would appear that the issues raised by the State Security Courts dispute are a fundamental part of Turkey's modern historical experience.

¹⁶ See, e.g., Erdogan Tezic, speaking in the panel discussion 'Dusunenlerin Forumu', *Milliyet*, 17 September 1976.

¹⁷ Ismet Giritli, *ibid*.

Vietnam's Fourth Party Congress

RALPH SMITH

The Soviet rather than the Chinese experience seems to provide the model for the country's development.

SINCE the collapse of the government of Nguyen Van Thieu in Saigon two years ago, Vietnam has been gradually readjusting to peace. After being a crisis point in world conflict for 30 years, she now has to face up to being just one more Asian country seeking to come to terms with the problems of political and economic development which she shares with the rest of the Third World. An important stage in this process was the conference held in Saigon (or rather, now, Ho Chi Minh City) in November 1975 to bring about the formal reunification of the two halves of the country, a process which was duly completed when the first unified National Assembly met in June 1976 and proclaimed the 'Socialist Republic' of Vietnam. A second and perhaps even more important turning-point was the Fourth Party Congress held in Hanoi from 14 to 20 December 1976, which renamed the Vietnam Workers' Party as the Vietnam Communist Party and established the main outlines for the remaining years of the Five-Year Plan for 1976-80. To an even greater extent than in China, a Party Congress has been a rare event in Vietnam, with only three meetings formally designated by that name since 1935. The first was held secretly in Macao in 1935, the second (which re-established the Workers' Party) in the 'maquis' in 1951, and the third in Hanoi in 1960. Each of these previous congresses formulated a party line which was to be the basis of the Party's activities for succeeding years. We can therefore reasonably look upon the Fourth Congress as marking the end of the stage of transition from war to reunification, and as setting the main trends of Party thinking for the next few years.

One of the significant themes of the Congress was concern about the future role and composition of the Party itself. Whilst this question was dealt with in general terms in the Report of the Central Committee, delivered by Secretary-General Le Duan on the opening day, it was covered in greater detail (as in 1960) by another of the Party secretaries, Le Duc Tho.¹ Apart from his well-known activity as chief negotiator

¹ Until the publication of an official record of the Congress by the Party itself, the main source in English is BBC, *Summary of World Broadcasts*, Far East Section, Nos. 5390-8, 5401-2 and 5404-5, part C. Some speeches were put out in

Dr Smith is Reader in the History of South-East Asia at the School of Oriental and African Studies.

opposite the US Secretary of State, Henry Kissinger, in Paris between 1970 and 1973, Tho has been a leading Party organizer for many years, and it may be significant that on this occasion his rank in the Party Politburo rose from sixth to fifth, placing him higher than General Vo Nguyen Giap.¹ The gist of the reports was that great care should be taken in selecting new members for the Party in order to strengthen its capacity for leadership in the new stage. Some members who are not equal to the task may find themselves excluded altogether. But in the selection of new members it was made clear that they would not be chosen exclusively from the poorest classes, as some more 'purist' members of the leadership might have wished.

Some Western commentators looked carefully at the record of the Congress for changes in the leadership of the Party, expecting to find there some reflection of national reunification. Those who were surprised to find no mention of the more familiar names in the leadership of the National Liberation Front and the Provisional Revolutionary Government of South Vietnam had perhaps forgotten that seniority in governmental and front organizations does not necessarily betoken seniority in the Communist (or Workers') Party. Not all of the familiar figures even belong to the Party. Huynh Tan Phat, for example, President of the Provisional Revolutionary Government and before that Secretary-General of the National Liberation Front, was a leading member of the southern branch of the Democratic Party.² On the other hand, several Communist Party members who played leading roles during the struggle in the South did gain promotion at the Fourth Congress. Pham Hung, leader of the Party's southern bureau since the death of Nguyen Chi Thanh in 1967, has always ranked high in the Politburo (fourth place, after Le Duan, Truong Chinh and Pham Van Dong) and seems to have increased his power since 1975. Two other southern leaders were promoted to full membership of the Politburo: Vo Chi Cong, who in 1962 founded the People's Revolutionary Party in the South (later abandoned as a separate Party) and who became Minister of Marine Products in 1976; and Nguyen Van Linh, now leader of the Party in Ho Chi Minh City. A third man, Vo Van Kiet, became an alternate member of the Politburo, whilst Tran Luong (alias Tran Nam Trung), a key figure in the National Liberation Front and now chief of the government Inspectorate, ranks high in the new Central Committee.³ These promotions are somewhat easier to comprehend than the one remarkable demotion from the

English by the Vietnam News Agency, others are translated from live broadcasts by Hanoi Radio. Most of the material also appeared in *Nhan Dan* during the second half of December.

¹ For changes in the Party leadership, see SWB/FE/5395/1.

² D. Pike, *Viet Cong* (Cambridge, Mass. MIT Press, 1966), pp. 197, 422-3.

³ Membership of the Central Committee, apparently in ranking order, is given in full by SWB/FE/5398/C/3.

Politburo: Hoang Van Hoan, a close colleague of Ho Chi Minh in southern China in the early 1940s and a former Vietnamese ambassador to China (1951-7), who since 1960 has been senior Vice-Chairman of the National Assembly Standing Committee. Otherwise, the only notable change in the Politburo's membership was the return to its ranks of Le Van Luong, a Party secretary expelled from it in 1956 at the same time as the demotion of the former Secretary-General, Truong Chinh.⁵ These two latter changes may conceivably represent a gain in influence by one faction and loss of influence by another, but the overall impression is one of continuity of leadership rather than of fundamental change.

As far as Party organization is concerned, the most significant change may prove to be the enlargement of the Secretariat. Of the previous seven members, four have been reappointed; but five men have become Party secretaries for the first time. Notable amongst the newcomers are Nguyen Duy Trinh, who continues to be Foreign Minister in the Government, and two generals, Le Quang Dao and Song Hao. Song Hao, chief of the Army Political Department since 1961, was also appointed head of the Party's Control Board, but the significance of this development is not very clear.

The other major theme of the Congress was the development of the economy in the remaining years of the Five-Year Plan (1976-80), and above all the question of economic priorities. Although the Plan was already a year old, the Congress decided upon a significant reorientation of its priorities as well as a new approach to problems of management. A month later, the National Assembly passed a resolution instructing the Council of Ministers 'to bring about a vigorous change in economic guidance and management', and it is clear that the year 1977 represents a new starting-point for Vietnamese economic development. The changes would appear to be the result of a complete rethinking of policy by the leadership in the summer and autumn of 1976, and were first heralded by an article of Nguyen Duy Trinh in the theoretical journal *Hoc-Tap* in September.⁶ That article drew attention to a number of shortcomings in Vietnam's past economic performance, and went on to emphasize the change in economic relationships with other socialist countries. It recognized that Vietnam could no longer expect to receive non-refundable foreign assistance from any quarter, and that future relationships must be based on 'mutual assistance and co-operation'. Vietnam, in other words, must devise policies that would enable her to pay her way in the world, and the article spoke of the need for a 'huge financial settlement force of high value'. The fact that the article was written by the Foreign Minister, Nguyen Duy Trinh (not formally responsible for economic policy), may

⁵ For the changes of 1956, see SWB/FE/610, p. 39, reporting broadcasts of 29 October 1956.

⁶ SWB/FE/5341/C/1-12. The article was broadcast in instalments between 14 and 29 September 1976.

be significant in that he was responsible for the Three-Year Plan of 1958-60 but since then has been somewhat eclipsed by others in the field of planning. His apparent recovery of influence in this area might well reflect also the growing influence of the Prime Minister (Pham Van Dong) and of Pham Hung, who are believed to be political allies, as against that of Le Duan. At the Congress itself, the Plan was covered in general by Le Duan's Political Report, but was also the subject of a special report by Pham Van Dong.⁷

These reports indicate four important areas in economic policy. First, the strong emphasis on giving 'rational priority' to the development of heavy industry, which was very much in evidence in the early 1960s and again in the early 1970s,⁸ has given way (at least in the short term) to an insistence that first priority must go to the development of agriculture and light industry: partly in order to satisfy consumer demand and to replace imports, but also to build up exports. This would fit in well with Nguyen Duy Trinh's objective of a large foreign exchange reserve. It is evident from Pham Van Dong's report that not everyone is happy with the change and that building up heavy industry is still the fundamental goal; but for the time being exports must take first place. No doubt some leaders see a real danger that Vietnam might end up as merely a supplier of primary produce to the Soviet Union and other Comecon countries, and thus lose the economic sovereignty for which she has fought so hard. But at present there seems to be no choice.

Secondly, in the field of management the Congress emphasized the need to strengthen the state structure, and to improve its efficiency: this has been a theme for several years but now it takes its place in the more coherent pattern that is emerging. In particular, the Congress paid more attention than has been normal in the past to the role of money and prices in economic development. Le Duan stated explicitly, 'prices must become an instrument to regulate supply and demand, and to help correctly to distribute and redistribute the national income.'⁹ These concerns should perhaps be related to the whole movement for economic reform which has been going on during the last ten years in the Soviet Union and Eastern Europe. The new attitude there towards prices and economic accounting, together with changing methods of planning and decentralized decision-making, reflects what one commentator has called the transition from 'extensive' to 'intensive' methods of economic growth.

⁷ SWB/FE/5396/C/13-27

⁸ This is clear, for example, from Le Duan's Report and the Resolution of the Third Congress in 1960. It was still the basis of planning expressed in the report to the National Assembly by Le Thanh Nghi (head of the State Planning Commission) in December 1975 (SWB/FE/5097/C/1-6 and 5098/C/1-7), and the form of words was used as late as 17 October 1976 in the Politburo Resolution on the economic tasks of the armed forces (SWB/FE/5342/C/1-4).

⁹ SWB/FE/5393/C/9

a concern with efficiency and quality, rather than with physical quantity.¹⁰ Here too, however, some Vietnamese may have their reservations. For the Comecon countries revised their economic and administrative policies at the point when they had already established the basis of an industrial economy. As Le Duan observed in a report to the Central Committee in 1962, capitalism developed from light to heavy industry but the socialist pattern of development (under Stalin's leadership) was based on sacrificing everything to the claims of heavy industry.¹¹ Vietnam has not passed through such a stage, and might well fear that her problems are those of the Russia of the 1920s rather than of the 1960s and 1970s.

Thirdly, the Political Report of the Fourth Congress placed special emphasis on the role of the district as an economic unit, which probably represents a specific Vietnamese response to the question of decentralization. Whilst decentralization was also a theme of the East European economic reforms, in the case of Vietnam one probably has to look also at the background of the war period in order to appreciate its full importance there. During 1966-7, when the American bombing of the North was reaching its first peak of intensity, it was necessary to devise methods of management and decision-making which would not depend entirely on a single vulnerable centre. Each province was instructed to work out its own economic plan for 1967, and probably the decentralization went even further, so that the local economy became as important a decision-making level as the national economy.¹² There was also a movement to develop local industry, in order to provide more agricultural machinery for the co-operatives. In his important article of 14 February 1970, Le Duan dwelt on the need to achieve a proper balance between the central and regional levels of economic planning: perhaps an attempt to reconcile the results of these wartime measures with his own more ambitious ideas about long-term industrial growth centred upon heavy industry.¹³ But now, once again, there is a new assertion of the importance of the local level, at the Fourth Congress, Le Duan spoke of the need to develop the district as a level of agricultural and industrial planning. It may not be without significance that one of those most closely associated with the 1967 Plan and the initial decentralization was Pham Hung, who is once again seen playing an important role in developing the South.

Fourthly, the Congress examined the problem of redeployment of labour, an especially critical problem in the South. In April 1975, it was estimated that there were three million unemployed in the southern

¹⁰ J. Wilczynski, *Socialist Economic Development and Reforms* (London: Macmillan, 1972).

¹¹ *The Road to Happiness and Prosperity* (Hanoi: Foreign Languages Publishing House, 1963), pp. 69-70.

¹² J. M. Van Dyke, *North Vietnam's Strategy for Survival* (Palo Alto, Calif: Pacific Books, 1972), pp. 192, 211-12, etc.

¹³ SWB/FE/3307 and 3316-22. The original appeared in *Nhan Dan*, 14 February 1970.

towns and cities. The logical solution to this problem from a Communist point of view is to move them back to the countryside to work on the land, but to achieve that result without a major political crisis is not easy. The move is likely to involve a combination of forcible resettlement of 'bad elements' (i.e. those suspected of loyalty to the previous regime) with the use of material incentives which will become more attractive as it becomes clear that not enough work is being generated within the urban areas. A Hanoi Radio report of January 1977 said that since the takeover in the South about 700,000 people had moved to new economic areas, some of which were on the outskirts of Ho Chi Minh City and others farther afield.¹⁴ At the Congress itself, Pham Van Dong envisaged that during the years 1977-80 as many as four million people would be 'redeployed' in the sense of being moved from overpopulated to underpopulated areas, whilst many more would move from agriculture into industry or construction. He did not say how they would be selected.

The main outlines of the Five-Year Plan and its administrative basis seem to leave no doubt that, for the time being at least, Vietnam has opted for the Soviet rather than the Chinese model of development. At first sight, the emphasis on the district level might seem to have some things in common with the Chinese Communes system and might be related to Hua Kuo-feng's emphasis on the county level in his Tachai speech on agriculture in October 1975.¹⁵ But the Chinese model, as it has developed since 1957, has placed much greater emphasis on Party Committees than on the state structure. Vietnam seems likely to do the opposite. Her development fits in with the various features of economic reform in the Soviet Union and Eastern Europe during the past decade. Thus, moreover, would allow for the possibility that Vietnam might develop some closer economic relationship with the capitalist world involving the import of technology: in particular with Japan and France, and possibly even the United States. Nothing was said on this subject at the Congress, but shortly afterwards a team from the Asian Development Bank visited Vietnam, and a loan was sought from the International Monetary Fund.¹⁶ There was also talk of joint enterprises, involving investment of foreign capital with free withdrawal of profits (possibly in kind rather than in cash), and of the creation of an investment code for that purpose. Before one jumps to the conclusion that Vietnam is somehow seeking a 'middle path' between East and West, one should remember that Rumania has had similar arrangements since 1971, not to mention Yugoslavia. Moreover, in one respect the Vietnamese system appears less 'liberal' than that of Comecon countries. Le Duan explicitly stated that the Ministry of Foreign Trade would retain its monopoly of foreign transactions,¹⁷

¹⁴ SWB/FE/W913/A/24-5

¹⁵ Hua Kuo-feng, *Let the Whole Party Mobilize for a Vast Effort to Develop Agriculture and Build Tachai-type Counties throughout the Country* (Peking, 1975)

¹⁶ *International Herald Tribune*, 8 January 1977

¹⁷ SWB/FE/5393/C/11.

whereas in Comecon there is provision for direct foreign trade by individual enterprises.

These decisions also have significance in relation to the course of ideological and political debate within the Vietnamese Communist movement. There was one voice at the Congress which was perhaps not quite in tune with the rest: that of Truong Chinh, Secretary-General of the Party from 1941 to 1956 and Chairman of the Standing Committee of the National Assembly since 1960. He has been noted in the past for his 'radical' approach to socialist transformation: that is, land reform and the socialization of agriculture, trade and handicrafts, which he has advocated as vigorously as he could on several occasions, notably in 1968-70. His speech at the Congress, unlike those of other leaders, was not broadcast 'live', although a version of it was published later in *Nhan Dan*.¹⁸ Its emphasis was rather different from that of Le Duan's Political Report. He dwelt particularly on the need to hasten the completion of the new Constitution of the Socialist Republic of Vietnam, originally promised for mid-1976 but apparently still not ready, whereas other speakers mentioned it only in passing. The delay may mean that it has been the subject of some controversy. Another section of the speech dealt with the strengthening of the proletarian dictatorship on the basis of the worker-peasant alliance, and the need to step up the process of socialist transformation in the South. In 1976 Truong Chinh played an active role in speeding up the reunification of North and South, and it seems very probable that he is anxious now to see the swift application to southern Vietnam of the same principles of social and economic structure which have been established in the North. Not only during the land reform of 1954-6, but also in the co-operativization movements of 1958-9 and 1969-70, it was Truong Chinh who took the lead in advocating rapid socialization. But the existing economic relationships of the South are probably less backward than those of the North before 1954, and it is possible that the other leaders would prefer to see a more gradual transition to socialism on the basis of administrative change, without the disruption that would be entailed by mass movements and theatrical trials of rich peasants. The fact that Truong Chinh's speech was treated more cautiously by the media may mean that final decisions on these questions have yet to be taken.

Another potential bone of contention may perhaps be indicated by the speech at the Congress by General Van Tien Dung, the Army Chief of Staff, who has been acclaimed as the victor of the Ho Chi Minh campaign against Saigon in 1975. The idea of combining national defence with production activities has long been a feature of Vietnamese Communist thinking, but there seems to be some disagreement between those in the Party who wish to use the army as merely an additional arm of the labour force, and the army leaders themselves who insist that the defence role

¹⁸ SWB/FE/5397/C/5-7; *Nhan Dan*, 21 December 1976.

must always be given priority. The primacy of the defence role was asserted by General Dung in an important article of December 1974, but that was before the war had ended.¹⁹ It was reaffirmed more recently by General Vo Nguyen Giap in his address to a conference on economic management by army officers, published in late November 1976.²⁰ General Dung's speech at the Congress took up the same theme, and also spoke of the importance of developing the defence industries. It seems very possible that his ideas are to some extent in conflict with those of Le Duan and that there are still problems regarding the implementation of the Politburo Resolution of 17 October 1976 on the economic tasks of the armed forces. The planners, after all, are concerned at least in the short term with giving priority to agriculture and to those branches of industry which serve agriculture.

On the other hand, there is nothing in the published proceedings of the Congress to suggest that this concern to preserve the combat-readiness of the army is linked to immediate plans for actual fighting. Those who were looking to the Fourth Congress for clues about Vietnam's attitude towards her neighbours and the possibility of Vietnamese support for Communist insurgencies elsewhere in the region would be disappointed. For what it is worth, the mood of the Congress should be relatively reassuring to other South-East Asian countries, although no one can expect the Vietnamese to abandon their pride in the success of their own anti-imperialist struggle and their method of revolutionary warfare. What was actually said at the Congress fits in with the impression created during the summer of 1976 by Phan Hien's tour of South-East Asian capitals and Pham Van Dong's speech to the Non-Aligned Summit meeting in Sri Lanka. Bilateral relations will be developed with all countries, on the basis of mutual respect for sovereignty. Moral support will be given to anti-imperialist struggles in other parts of the world (for example, Africa). But the most militant attitudes would appear to be concentrated on the struggle of the Third World countries to preserve both their resources and their economic sovereignty, on the basis of combined action within what seems to amount to an international economic united front. However, silence sometimes betokens an attitude of 'wait and see', and in a situation where China's future policies are still in the balance, one should probably not expect a very clear articulation of Vietnamese foreign policy as yet. Whatever international role Vietnam may eventually adopt must be seen in the light of the changing world situation, rather than in that of immediate Vietnamese national objectives.

¹⁹ Published in *Hoc-Tap*, and also in *Nhan Dan* and *Quan-Doi Nhan-Dan*, 17 December 1974. SWB/FE/4790/C1/1-16.

²⁰ SWB/FE/5375/B/8-9. The address may have been given earlier, but was published only after the end of the army's own Party Congress (16-22 November 1976) at which these issues were no doubt extensively discussed. Cf. FE/5374/B/5

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Note of the month



BAD BLOOD IN BRUSSELS

WHEN the Council of Ministers of Agriculture ended its traditional marathon towards noon on Tuesday, 29 March, it had failed to reach agreement on farm support prices for 1977-78. This was just one of the ways in which the 1977 price review, eventually concluded a month later, acquired its own distinctive and somewhat disquieting flavour.

As last year, the Commission had put forward a complex set of proposals. The most publicized elements were an average increase in farm prices of 3 per cent, varying adjustments in green currency rates, and a battery of measures designed to tackle the milk surplus problem. The Commission estimated that 'the average effect of the price increases on the cost of food to the consumer would be of the order of 1.5 per cent and on the cost of living in the Community of the order of 0.3 per cent'.¹ For the UK, there were the two remaining transition steps to be taken into account, and the Commission estimated that the overall effect of its proposals on the UK retail cost of food would be about 3 per cent, and 0.7 per cent on the cost of living.

Although a milk action programme, including a co-responsibility levy on producers and inducements to give up milk production, had been worked out in readiness under Mr Lardinois, it was rightly decided that the new Commission, due to take office in January 1977, should formulate the 1977-78 price proposals and a new Commissioner for Agriculture would have to try to persuade the Council of Ministers to agree to them. After months of speculation and uncertainty, the task finally fell to Mr Gundelach. The change of Commissioner brought a change of nationality, a change of style and a change of tactics (the Dutch had fought hard to keep the agricultural portfolio, but the Germans and the French were adamantly opposed to having yet another Dutchman). Gone was the flamboyance of Mr Lardinois, a born actor, equally at home berating the European Parliament or teasing the Press, and revelling in tough bargaining with ministers. His starting-point was usually known to be some way short of his 'final offer', and it was always necessary to wait until fairly late in the game to see just what he had up his sleeve. Mr Gundelach is a quiet,

¹ 'Commission proposals on the fixing of prices for certain agricultural products and related measures', COM (77) 100 final, 11 February 1977

intense man, capable of thumping the table but rarely playing to the gallery. He disarmingly claims to have had no direct contact with agriculture—a difficult feat for a Dane—and he believes in discussing agricultural issues with anyone who can make a contribution. He also believes in putting forward proposals at the outset which he thinks are likely to prove politically acceptable without major modifications, and he seems to keep no great margin in reserve.

The final outcome this time showed only a 0.5 per cent increase in the average level of prices above that which Mr Gundelach had suggested, rather more expensive green rate changes than he had wanted, and an item which he had not originally proposed at all—the separate UK butter subsidy. This had come to the fore in the traditional President's compromise, which was put on the table on the afternoon of Saturday, 26 March, after bilateral discussions between the President and individual ministers. The President reported that the British wanted a 20p per lb butter subsidy, to be paid for entirely by the Community, to offset the cost to the UK of the other measures. As the President was Mr John Silkin, the British Minister of Agriculture, a compromise including such a generous subsidy was inevitably considered somewhat biased in favour of Britain. Although at this stage only the Belgian Minister would have wholeheartedly supported the COPA demand for an average price increase of 7.4 per cent, the general view of all except the British Minister was that the average increase of 3 per cent proposed by the Commission was too low, and this view was reflected to a limited extent by Mr Gundelach when he came to make the traditional amendments to the presidential compromise. By the end of the marathon, all the other eight ministers were in complete agreement, and the UK appeared to have accepted Gundelach's amendments except for the size of the butter subsidy. Although ministers had been in 'super-restricted' session (i.e. without any officials present) all night long, it was clear from their comments when the meeting was adjourned that the gap at the end was not very wide. This suggests that during the later stages the UK must have retreated a long way from the 20p figure. Three weeks later a lobby briefing in anticipation of the final meeting in Luxembourg on 25–26 April paved the way for a public climb-down and, in the end, the UK Government settled for a subsidy of 8½p per lb, less than half of what it had originally demanded.

Of course, the result was not presented as a climb-down. Speaking to the Press immediately after agreement had been reached, Mr Silkin (who had let Dr Gavin Strang—leader of the British delegation while he himself was in the chair—face all the criticisms of the UK when the marathon broke down, but insisted on speaking as the British Minister when there was some political capital to be gained out of the butter subsidy) declared. 'For us the key objective was to keep consumer price increases to an

absolute minimum while at the same time obtaining a fair deal for the farmer. This has been achieved largely by a substantial and EEC-financed butter subsidy. For the housewife we had four aims in the negotiations. First, to keep the price of butter from going up as it otherwise would: remember, the transitional steps alone would have put it up by over 12-13p per lb by the end of the year. Second, to reduce other price increases to a minimum. Third, to get advantages for the housewife that would more than offset the effect on food prices of any change in the green £. Fourth, to tackle the butter mountain. We have achieved all four aims.¹

Speaking in the House of Commons on 27 April,² Mr Silkin claimed that the butter subsidy 'should lead to an immediate fall in shop prices of about 5p per lb, although I now learn that this may actually be an understatement. Prices thereafter will begin to rise again, but increases and decreases throughout the year are expected roughly to cancel out'. The change in the green £ would be reflected in higher common support prices for UK farmers in sterling terms, but its effect on retail prices would be very small. 'Its effect on all food prices between now and April 1978 will be more than offset by the butter subsidy which we have negotiated . . . The effect on average food prices of this settlement during the period to next April is estimated at one-third of 1 per cent, so that with the transitional steps, the overall effect will be 1.25 per cent.'

British farmers did not share Mr Silkin's view that he had achieved 'a very good deal for both British farmers and housewives'. Against cost increases of £900 m. (20 per cent up on the previous year), the three UK Farmers' Unions considered the determinations quite inadequate. The main problems were on the livestock side. Pig producers were suffering acutely from the fact that pigmeat monetary compensatory amounts (MCAs) were calculated on a different basis from others and this resulted in a subsidy of well over £200 a tonne (or about 25 per cent) on competing imports of bacon; beef producers continued to suffer from the distortion of trade caused by the bigger devaluation of the Irish green £, and milk producers felt the proposed guaranteed price scale (which was fixed by the British Government) was unlikely to restore confidence and enable them to reach the targets set out in the Government's policy document, *Food from our own resources*. The COPA Praesidium was due to meet on 13 May, and it seemed unlikely that the review would gain much approbation in that forum.

Nor was Christopher Tugendhat, the Commissioner responsible for the Community Budget, at all enthusiastic about the settlement. He was relieved that agreement had been reached, as failure to agree 'would have been a major threat to the CAP, which is one of the foundations of the

¹ Statement to Press, 26 April 1977.

² H C Deb., Vol 930, Col 1234 et seq

Community itself',⁴ but pointed out that the agreement, 'with expensive offsetting measures such as the UK butter subsidy', would have been appreciably more expensive than the Commission's original proposals. Mr Tugendhat estimated that in a full year the agreement would cost the Community budget about £417 m. About a fifth of this would be paid by the UK, which hardly seems an enormous amount compared with Mr Healey's UK budget proposal for cuts in direct taxation of the order of £1,500 m.

But the financial cost was of less immediate concern in Brussels than the political cost. The approach and tactics of the British Government, and more particularly of Mr Silkin himself, were the subject of much uneasy questioning. As Mr (now Lord) Peart found, there is a lot of sympathy among ministers over the pressures each has to face at home, but not even those who have seen the blatant flaunting of French interests can go on indefinitely accepting a cynically selfish national line. Like his predecessor, Mr Silkin was preceded to Brussels by his reputation as an anti-marketeer, but whereas Mr Peart won the affectionate respect of his colleagues, Mr Silkin has seemed solely determined to prove, *pace* Charles Wilson, that 'what is good for Britain is good for the Community'.

What he deems to be good for Britain seems from Brussels to be whatever will keep the Labour Government in power. The CAP is allowed to take the blame for all rises in food prices, when there are other major causes. Green £ devaluations, or the lack of them, seem closely attuned to the statements of trade union leaders, as do calls for 'fundamental' reform of the CAP. There was a suspicion that failure to agree during the marathon was not unconnected with the impending Stetchford by-election. And Mr Silkin appears to be doing nothing to oppose those in his or any other party who still want to take Britain out of the Community, despite the referendum result. Some of our best friends in Europe feel that even a government living from day to day would be wise to concentrate a little more on longer-term prospects. Food consumers can best be helped by a strong agriculture; and blocking a decision in the Agricultural Council may have to be paid for in another sector, as Mr Benn no doubt realized when he failed to win his fight over the location of the JET project the day after the agricultural marathon. Fighting for one's interests is legitimate, but not at the price of endless bad blood. As a French farming paper put it: 'Loin de nous l'idée de susciter une quelconque anglophobie. Mais les faits sont là qui montrent que le sens du compromis des uns ne peut s'accommoder de l'intransigeance des autres, dès lors qu'ils ont volontairement accepté de vivre en communauté.'⁵

TREVOR PARFITT

⁴ Speech to European Movement, Brussels, 2 May 1977.

⁵ *Le Producteur Agricole Français*, No 208, April 1977

Mediterranean agriculture and the enlargement of the EEC

MICHAEL LEIGH

France and Italy have begun applying the brake to EEC enlargement in response to pressures from agricultural interests. The debate on the 'compensation' demanded by farmers in the Mezzogiorno and the Midi has highlighted the need for structural reform as well as price guarantees.

POLITICAL leaders in France and Italy have frequently welcomed the prospect of Greek, Portuguese and Spanish membership in the EEC. On a recent visit to Madrid, Rinaldo Ossola, the Italian Minister of Industry, suggested that a shift in the European Community's centre of gravity towards the Mediterranean could form the basis for a new European *relance*, a sentiment applauded by the Spanish Prime Minister, Adolfo Suárez.¹ President Giscard d'Estaing has often stressed the need to redress the balance after the 'nordic' enlargement of 1973. Altiero Spinelli, the former EEC Commissioner, now an independent member of the Italian Parliament elected on the Communist ticket, also favours a more Mediterranean Europe. He foresees an alliance between left-wing forces in southern Europe and the injection of more progressive policies into Community decisions.

Until recently such Mediterranean sentiments had a ritualistic quality: no one expected them to be put to the test in the near future. But now that Greece and Portugal are formal candidates for full membership in the EEC and Spain's application is only months away, the chickens are coming home to roost. Laudable statements of Mediterranean solidarity are giving way to the cool calculation of interest. Agricultural groups in France and Italy do not share their governments' optimism; rather, they fear direct competition from the candidate countries, particularly Spain. Farm interests have mounted a campaign either to keep Spain out or, failing this, to secure advance 'compensation' for the losses they expect to suffer.

The campaign has already yielded results. Last July, largely at Italian insistence, the EEC Council of Ministers asked the Commission to pre-

¹ *Corriere Della Sera*, 23 March 1977

Dr Leigh, Assistant Professor of International Relations at the Johns Hopkins University Bologna Center, Italy, is conducting research on the enlargement of the EEC

pare a report on Mediterranean agriculture. The Italians implied that a new deal for the Community's existing Mediterranean farmers was a precondition to their consent to a further enlargement. As this article suggests below, the Commission's study, still an internal working document known as the Pizzuti Report, fails to substantiate important aspects of the Italian case. Italy pressed for and won two of the portfolios in the Jenkins Commission of most relevance to the Mediterranean: the Socialist Antonio Giolitti has responsibility for the regional, social and agricultural guidance funds; Lorenzo Natali, a former Christian Democratic Minister of Agriculture, has a new portfolio concerned with enlargement.

Second thoughts about enlargement have been even more apparent in France. The *Centre National des Jeunes Agriculteurs* submitted a report to the French Government which argues that France would be the member state to suffer most from Spanish entry and that President Giscard should say no.³ The *Assemblée Permanente des Chambres d'Agriculture* reached similar, though somewhat less alarmist, conclusions after discussions with Italian colleagues.⁴ In France's volatile electoral climate such views were soon picked up and exploited by political leaders Jacques Chirac, who as Minister of Agriculture fought hard for national interests in Brussels before, as Giscard's Prime Minister, prudently suppressing his scepticism about the Community, could not resist the temptation to use farmers' fears to mobilize votes for the *Rassemblement Pour La République*, his new-look Gaullist party. Goaded by Chirac's attacks upon Spanish membership and the Government's agricultural policies, the present Prime Minister, Raymond Barre, made some unusually blunt statements during last March's municipal election campaign. He told farm audiences that he would seek regulations to protect French wine, fruit and vegetables before agreeing to the admission of new members into the Common Market.⁵

Other government spokesmen hinted that France would seek to 're-negotiate' her share of the Regional Fund as a precondition to further enlargement. Finally the Foreign Minister, Louis de Guiringaud, announced a new strategy for the negotiations.⁶ Instead of France's previous country by country approach, he accepted the Italian view that there should be a 'global' negotiation with all three candidates. While this would make it harder to discriminate between them on political grounds, it would facilitate the negotiation of a single package which would tie up enlargement with 'compensation' for France and Italy. The remainder of this article considers the case for such compensation in the

³ *Espagne Un Choc Pour L'Europe* (Paris: Centre National des Jeunes Agriculteurs, April 1976).

⁴ *L'Agriculture Française Et La Politique Méditerranéenne De La CEE* (Paris: Assemblée Permanente des Chambres d'Agriculture, 4 November 1976, mimeo).

⁵ *Le Monde*, 6-7 February 1977

⁶ *ibid.*, 11 March 1977

light of the current condition of Mediterranean agriculture in the Community.

Mediterranean agriculture

Mediterranean products are considered to be hard wheat (the type used for making pasta), rice, vegetables, flowers, tobacco, wine, olive oil, fruit (excluding apples), citrus products and sheep meat. Mediterranean regions are those in which these products make up at least 40 per cent of agricultural production. By this definition most of Italy and the south of France are Mediterranean regions. Although these regions are diverse, including such prosperous areas as Emilia-Romagna in central Italy, they tend to suffer from serious drawbacks. Their common characteristics include small land-holdings, little irrigation, few co-operatives, poor distribution and marketing, under-employment and low productivity. Agricultural productivity in the Mezzogiorno is half the Community average. Between 1968 and 1973, fruit and vegetable exports from the Mezzogiorno fell from 53 per cent to 39 per cent of Italy's total farm exports, mainly because of a decline in citrus exports from Sicily.

Mediterranean agriculture accounts for only 18 per cent of final agricultural production in the EEC but it dominates the economic life of certain regions. Market conditions for specific products spell ruin or prosperity for parts of France and Italy. Wine constitutes 40 per cent of all Mediterranean agricultural production in France but more than 70 per cent of total agricultural production in Languedoc. The bumper harvests of 1973 and 1974 and the fall of the lira brought massive imports of cheap Italian wine which threatened the wine growers of the Midi with economic extinction. Riots during the Franco-Italian wine war cost two lives and vividly demonstrated the central role of a single Mediterranean product in the economic and social life of the Midi. Twenty-eight per cent of the active population in the Mezzogiorno are engaged in agriculture, according to government statistics. Product specialization is high: Calabria and Sicily account for 90 per cent of the EEC's citrus production, Apulia, in Italy's heel, contributes 45 per cent of the Community's production of table grapes; Campania, the area around Naples, 34 per cent of its production of apricots.

Agricultural interests in these regions claim that the Common Agricultural Policy (CAP) has denied them a fair deal. Marketing regimes for their products are weak or non-existent. They scarcely benefit from Community preference or intervention. Before the 'wine war', this product received only 0.3 per cent of the FEOGA's disbursements under the guarantee section, a figure which rose to 4.6 per cent in 1975. But other Mediterranean products obtained less generous assistance. Fresh fruit and vegetables accounted for only 1.8 per cent of total guarantee spending in 1975 although they represented 11.5 per cent of final agri-

cultural production. By comparison, FEOGA expenditure to support the prices of beef, veal and milk, products of primary interest to non-Mediterranean farmers, greatly exceeded these products' share in final Community production.

Viewed from the south, the CAP looks like a device for bolstering the incomes of northern farmers while neglecting the needs of the Mediterranean. Italian consumers pay more for their imported beef, veal, cereals and dairy products while Italian (and French) farmers receive little for their wine, rice, fruit and vegetables. This imbalance is exacerbated by the system of monetary compensation amounts (MCAs), introduced to bridge the gap between 'green' and market currency values. MCAs operate as a subsidy on northern exports to Italy and a tax on Italian exports to the rest of the Community. This deals Italy a double blow: her meat and dairy producers face 'unfair' competition from Community subsidized imports while her exporters are penalized in their attempt to penetrate northern markets. The CAP is seen, therefore, as contributing to Italy's inflation, food and balance-of-payments deficit. It transfers resources from consumers in Milan and Naples to dairymen in Bavaria, a process for which no argument in equity can be found. By neglecting Mediterranean agriculture, the CAP helps perpetuate the marginal existence of farmers in the Mezzogiorno and the Midi.

New urgency

These old complaints have been given new urgency by the prospect of the entry of Italy's major Mediterranean competitors into the EEC. A note issued by the Ministry of Agriculture in March 1977 explicitly linked the redress of long standing Italian grievances to the question of enlargement. It said that new regulations to protect the legitimate interests of the southern Italian fruit and vegetable sector were essential before the entry of new member states into the Community.⁶

The second charge brought by French and Italian farm groups is that their interests have been betrayed by the Community's various association and trade agreements with their Mediterranean competitors. It is argued that tariff concessions to Greece, Turkey, Cyprus, Malta, Spain, Israel, Portugal, Morocco, Tunisia and Algeria have enabled these countries to penetrate Community markets at the expense of farmers in the Mezzogiorno and the Midi.⁷ Full membership for Greece, Portugal and, especially, Spain with her vast agricultural potential and low prices, would further damage Italian and French exports.

The Pizzuti Report does not sustain the thesis that the penetration of EEC markets by third countries can be attributed primarily to tariff

⁶ *Il Sole—24 Ore*, 23 March 1977.

⁷ Carlo Aiello, *Gli Accordi Mediterranei Della Comunità Economica Europea E I Loro Riflessi Sul Mezzogiorno* (Rome: Unione Italiana Delle Camere Di Commercio Industria Artigianato E Agricoltura, July 1975).

concessions. In some cases such concessions were the critical factor but not in general. Greece, as the Community's first Mediterranean Associate, received uniquely generous terms never to be repeated.⁸ Contrary to popular belief, the trade provisions of the Association Agreement were not frozen under the colonels' regime, allowing Greece to make spectacular progress in certain product markets. Greece's share of the Community's tomato paste market, for example, rose from 2 per cent to 34 per cent between 1966 and 1973. But Commission officials argue that such cases are exceptional and that Spain's success—the main cause of Franco-Italian alarm—cannot be attributed primarily to tariff concessions.

Although Spain received less generous concessions for citrus products than the North African countries, she was still able to outperform them in penetrating Community markets. Furthermore, Spain forfeited her tariff concessions for long periods, a total of seven months between 1970 and 1973, without losing her dominant market position. Tariff concessions are automatically suspended when the price of Spanish oranges becomes 'too competitive', falling below the EEC's entry price.

This suggests that factors other than tariff concessions have worked to make the trade name 'Spania' the leader in European citrus markets. Dynamic production, marketing and distribution policies have made the Spanish citrus sector far more efficient than other parts of the country's agriculture. Spain produces the kind of oranges demanded by northern European consumers, large, firm, thin-skinned and 'orange' in colour. The Italian *tarocco* blood orange is delicious; but northern consumers are not accustomed to its dark red flesh and its pigment renders the juice unsuitable for processing. Thus in 1973 Italy's share of the Six's orange trade was 3.2 per cent compared with 70 per cent for Spain taken together with the other beneficiaries of Community concessions. Ninety-five per cent of Italian production was consumed at home.⁹ By processing fresh fruit coming mainly from Spain, Morocco, Israel and Cyprus, the Benelux countries were able to corner more than a half of the Six's trade in orange juice.

Spain's geographic position gives her the advantage of inexpensive sea transport to northern European markets compared with the long overland route from the Mezzogiorno. But the conclusion is inescapable that neither tariff concessions to third countries nor natural disadvantages are sufficient to explain the poor performance of Italy's citrus products on European markets. Structural deficiencies in production, marketing and distribution are the main factors to have limited Italy's exports of citrus and other Mediterranean products.

French and Italian interests fear collusion between Spain and the

⁸ See John Pasmazoglu, 'Greece's proposed accession to the EEC', *The World Today*, April 1976.

⁹ Aiello, *op cit*, pp 28-9.

northern Europeans at their expense. Britain, it is argued, naturally favours Spanish entry into the EEC in the hope of ensuring continued supplies of 'cheap' food once Britain's privileged transitional relations with Spain expire later this year. Britain is Spain's main market in the EEC, accounting for 14 per cent of her agricultural exports. Germany, Denmark and Holland also have an interest in low-cost imports from Spain. A coalition of 'free-trading' northerners and Spanish exporters can, therefore, be expected to block expensive new marketing regimes for Mediterranean products. Spain, it is said, can do without extravagant price supports since her goods are very competitive and easily find export outlets. Her lower standard of living makes it possible to export on terms that would spell ruin to French farmers. Comparative advantage makes up for the backwardness of much of Spanish agriculture. With Spain inside the Community, there would not even be the limited protection afforded by present quotas and safeguards.

According to French agricultural interests, the idea that solidarity between France, Italy, Spain, Greece and Portugal in a Community of Twelve will be used to extract concessions from the northerners is a myth. Cross-cutting cleavages of the type outlined above will prevent a united stand amongst the southerners. It is therefore essential to obtain 'compensation' for the Mezzogiorno and the Midi before enlargement occurs. Such compensation is the price the northerners must expect to pay for the economic and political benefits they hope to derive from enlargement.

Mediterranean interests may be stretching a point when they attribute their present difficulties to the CAP and the Community's concessions to third countries. But French and Italian agricultural groups argue cogently that unless the imbalance between north and south is redressed the Community may fall apart. France has never entertained illusions about the Community spirit; the economic crisis has made Italy, too, more realistic with respect to her own interests.

Compensation

The most short-sighted form of compensation, but also the one for which many French and Italian farmers are clamouring, would be the establishment of marketing regimes for their products similar to those which guarantee the livelihoods of northern European farmers. This would mean the enforcement of stricter Community preference by curbing imports from third countries and intervention buying to maintain prices. But such moves would be fiercely resisted by consumer-oriented countries like Britain where public opinion, already sceptical about the Community, would be affronted by the withdrawal and destruction of food which an intervention policy for perishable Mediterranean products would make inevitable. Price guarantees for stockable products

like olive oil and wine distillates stimulate surplus production and yield equally unacceptable lakes and mountains. Stress is now placed on price guarantees for processed foods complemented by guidance support for food transforming industries.

Responsible agricultural interests recognize that any compensation must take the form of a policy mix, emphasizing structural reform rather than price guarantees. Constructive measures, already promoted on a limited scale by national authorities, include grants for irrigation, re-training, the renewal of vines, the consolidation of land-holdings, co-operative production, marketing and distribution and, in some cases, a partial switch into non-Mediterranean-type products. Some encouragement might be given to Italy to reduce her deficit in meat, cereals, dairy produce and forage, by increasing domestic production. Such measures would, however, create new frictions with beef, maize and soya producers in the Americas and exacerbate the Community's dairy surplus.

Structural reform also poses more general problems: it provides little tangible financial benefit in the short term, it threatens to increase unemployment by eliminating unproductive labour and it requires member states to devise feasible plans and to implement them. The Mansholt Plan foundered on these very points. There has been a Community citrus plan since December 1969 combining intervention and reform measures with the authority to spend 40 million units of account per annum. So far not a lira has been invested. If the plan had been put in the hands of a Community agency with the power to implement it, then, say Italian agricultural interests distrustful of Rome, we should be less worried about the entry of Spain and Portugal and the preferential agreement with Morocco.¹⁰

Finally, there is the problem of finance. An unpublished study by the German Development Institute in Berlin estimates that if Greece, Spain and Portugal had been full members of the EEC in 1976, they would have added respectively 460 million units of account, 975 m.u.a., and 190 m u a gross to the Community's budget. These figures would be reduced by the new member states' contribution to the budget; in Spain's case, the net cost would fall to 449 m u a. But, besides the purely schematic significance of these figures, the problem is that they are essentially static. The true cost of enlargement would also have to include the compensation package awarded to France and Italy. In the economic climate which is likely to persist into the medium term, it cannot be taken for granted that Germany will be willing, as in the past, to assume the lion's share of the cost.

On the other hand, enlargement makes a new deal for Mediterranean agriculture a priority issue which can no longer be evaded. Both equity and the blunt positions adopted by French and Italian politicians demand

¹⁰ *Mondo Agricolo* (Rome), 7-13 February 1977.

reform. Partial measures, such as the devaluation of the green lira, can give only temporary relief to Italian producers while penalizing Italian importers and giving a new twist to inflation. The reform proposals made by the Commission to the Council on 4 April 1977 failed to impress Italian opinion.¹¹ Although the proposals drew upon the Commission's stocktaking of Mediterranean agriculture, commentators predicted that they would boil down to financial assistance for existing government programmes.

More far-reaching structural reform could be financed, in part, by savings on guarantee spending under the present wasteful system. The agricultural commissioner, Finn Olav Gundelach, fought hard to limit price increases at the Council of Ministers' 1977 marathon, but met resistance from the beneficiaries of present policies (including France and Italy wearing other hats). None the less, his initiative is a beginning. Other avenues to be explored include a partial reversion to national pricing policies, adjusted to local priorities, under a CAP umbrella.¹² The adoption of some such heretical scheme may be the precondition for the survival of a heterogeneous Community of Twelve

¹¹ *Agence Europe Daily Bulletin*, 4-5 April 1977

¹² John Marsh, 'European Agricultural Policy: A Federalist Solution', *New Europe* (London), Winter 1977

Revolt and repression in Argentina

DAVID ROCK

THE present political disturbances in Argentina belong in the tradition of guerrilla warfare and the resurgence of the Left, which has occurred over large parts of Latin America during the past ten years. The main difference between Argentina and most of the other cases is that the pre-eminently urban character of her society has given the struggle there more the internecine, fratricidal style of a Northern Ireland than any clear resemblance to Castro's classic campaign from the Sierra Maestra. Yet even though the main venues of conflict have been the coastal cities of Buenos Aires, La Plata, Rosario, Bahía Blanca and the more distant Córdoba, for long the 'Viper's Nest' (as it was once called on account of its radical militancy) of ungovernability, it has elsewhere, particularly in the sub-tropical plantation economy of the north-western province of Tucumán, assumed some of the guise of an abortive peasant revolution, of a kind which has many antecedents in Latin American tradition.

Throughout 1976, and continuing into 1977, the struggle has been enacted as a series of small skirmishes between the rebels and the security forces, accompanied by a draconian and often indiscriminate wave of reprisals by the police and by right-wing gangs. Sadly for those who recall her *belles époques*, Argentina has today, with these events, fallen under a sinister cloud of brutality and persecution. Yet participants in the struggle would appear to be relatively few. They embrace an indeterminate, though now evidently diminishing, number of rebel militants, among whom there is a large female contingent, so that family units frequently operate as rebel cells; and against them a conscript Army and the police, supported by webs of informers and by terror squads. The bulk of the population, which only three years ago underwent a spasm of political activism, is at present kept aloof from the struggle by exhaustion and recession. Neither side has been exempt from questionable stratagems in the course of the struggle. The Left has frequently strained the goodwill of any benevolent neutrals by indulging in kidnapping, assassination and xenophobia. Of its opponents, however, it can only be said that they have resorted to terror as an instrument of government. There are daily reports of street disappearances, or of nocturnal police raids on households whose inhabitants have fallen under suspicion, the despoliation

Dr Rock is Assistant Secretary at the Institute of Latin American Studies, University of London, and the author of *Politics in Argentina 1890-1930. the Rise and Fall of Radicalism* (Cambridge: Cambridge University Press, 1975). This article is based on his research during a recent visit to Argentina.

and robbery of personal effects, followed by detention without warrant, or at best protracted hooded interrogations. There can be no doubt about the veracity of reports of torture and the sexual abuse of female prisoners among the many hundreds of detainees held in different parts of the country, nor about the fact that a substantial number of detainees have been taken from the prisons and murdered, either as an act of intimidation or in reprisal for rebel actions.

The guerrilla groups

Present events are the harrowing climax to a now chronic and apparently insoluble social crisis, which exploded into violence in 1969 with mass insurrections and the growth of guerrilla groups.¹ But as it developed in successive stages from 1969 onwards, the guerrilla movement in Argentina failed to establish unity, either in its leadership or in its doctrines. A minority, the People's Revolutionary Army (ERP), Trotskyite at root, was always more firmly grounded in the peasant lands of the northern interior, or ephemerally among new working-class groups like the Córdoba carworkers, than among the more populous and politically significant urban centres of the eastern coast. The majority, by contrast, was more populist than Marxist in orientation. It developed between 1969 and 1972 from a number of disparate currents, ranging from Catholic radicals to quasi-falangist groups, into the Montoneros movement, adopting this designation out of a sense of identification with the pastoral hill-rebels of the Andean west in the nineteenth century. Although these two segments of the guerrilla movement fraternized on occasion and participated in joint operations, they maintained throughout quite separate identities. They were essentially divided by their attitudes to the Peronist movement, and by what this implied in their conceptions of revolutionary society. The former group, in pursuit of a tradition with its origins in the behaviour of the Communist Party at the end of the Second World War during the gestation of Peronism, remained intransigently anti-Peronist and internationalist, doggedly committed, if necessary, to a strategy of attrition inspired by the guerrilla wars of South East Asia. The latter, on the other hand, was essentially a popular and nationalist movement, which sought to identify itself with the anti-colonial struggles in Africa. Unlike the Marxists, it foresaw the imminent possibility of taking power. From the beginning, there were thus two revolutionary conceptions. The Marxist, based upon the old colonial society of the interior, was continental in association, scope and inspiration. It perceived the eventual road to regeneration to lie in transcending the existing Balkanized national societies, and, as the Bolsheviks had done in Russia, in establishing a sub-continental revolutionary society, perhaps eventually embracing the

¹ See Ezequiel Gallo, 'Argentina background to the present crisis', *The World Today*, November 1969.

boundaries of the old Spanish and Portuguese American empires. By contrast, the Montoneros were largely composed of groups in the east, whose social roots generally went back no further than the development of the agrarian export society towards the end of the nineteenth century, far removed from any indigenous peasant tradition in the age of Spanish colonialism. Essentially, they sought the refurbishment of the existing national state. Similarly, where the Marxists declared the conventional commitment to the socialization of the means of production and exchange, the 'National Socialism' of the Montoneros placed much greater emphasis upon a programme of expropriation of foreign companies and upon changes in the existing system of distribution. Perhaps the Marxists were, as their antagonists called them, 'traitors to the Fatherland', but this was plainly inaccurate when applied to the Montoneros, whose beliefs, despite Marxian anti-imperialist nomenclature, recalled the reformist, redistributive ideals of Peronism and its tradition of popular nationalism. Unlike the Marxist faction, which had some difficulty in raising popular support outside the north-west, the Montoneros found considerable popular support from within the diverse corporate entities of the urban society of the east.

The movement eventually created by the Montoneros was composed in the first place of small factions from among a heterogeneous amalgam of working-class groups, whose basic components reflected upon the principal historical stages in the growth of the coastal urban economy. Their targets for revolutionary mobilization ranged from the often cosseted, Mafia-like trade-union aristocracy of Buenos Aires, an offspring of the Peronist movement of the 1940s, to the railwaymen and the port workers, harkening back to the remoter tradition of the agrarian export boom in the late nineteenth century. Alongside the Marxists, though apparently with no conspicuous success, they aimed also at the new proletariat of the automobile factories in Córdoba whose rank and file was composed of the former tenantry of the immediate sub-pampas hunterland or of the primitive creole peasantry of the arid extremities of the Andean west, while its semi-skilled levels came from an articulate, formerly independent local petty bourgeoisie. They also sought to mobilize the deprived 'little black faces', allegedly illegal immigrants of Guaraní or Quechua stock from neighbouring Paraguay or Bolivia, but as often as not the migrant remnants of an ancient mestizo peasantry in Argentina herself, condemned by the crisis in the industrial system to an impoverished existence in the penumbral zones of the cities.

More importantly, however, the Montonero movement had a pronounced middle-class character. It gathered recruits from among the sons of the rich in areas like the northern suburbs of Buenos Aires, who were propelled to the barricades by a guilt-ridden perception of the extremes of social injustice in their midst, and the pervasive atmosphere

of moral stagnation and political collapse surrounding them. It also won support from professional and administrative groups, from the young lawyers, accountants, medical practitioners and many public employees, whose careers and expectations were being daily undermined by the crisis in the economy and in the state. In some measure it won further endorsement from a middle class of industrial producers, which in the halcyon days of Peronism had seen itself destined to lead a pugnacious advance to industrial self-sufficiency and social superabundance, but had since fallen foul of rudderless government, cumbrous bureaucracy and the implacable advance of powerful rivals from abroad. Finally, the movement drew many of its ideologues from the universities, from social scientists or teachers of architecture and psychology, whose experience and activities equipped them well to derive politically radical conclusions from contacts with the human and social environment of the urban systems they served. It was thus, when the movement was at its height, that it focused its attentions not only on the trade unions, but upon the universities and the secondary schools, the classic institutional arbiters of middle-class status and social mobility, and, like the trade unions, vortices of political discontent.

Peronist revival

In 1972, at the height of this wave of popular agitation under General Alejandro Lanusse, the Army abandoned the last vestiges of its programme of 1966.¹ In the hope of shoring up its position and winning a measure of public support in what had now become a state of war against the guerrilla groups, it once more resorted to the expedient of elections. On this occasion, however, the extremities of the situation compelled Lanusse to overcome his own great reluctance to pursue such a course and to free the Peronists from proscription. The attempt was to be made to enlist their support against the still largely amorphous forces of the new radicalism. Although Lanusse failed in his initial objective of winning Peronist support for a coalition dominated by the Army, in other respects the decision he had taken proved remarkably astute and successful. The revival of the political parties, which had all been proscribed at the advent of Onganía in 1966, immediately foreshortened the growth of an independent Left. Opposition to the Army which had hitherto expressed itself through the growth of the guerrilla groups, through leftist trade unions and in the form of spontaneous insurrections, now began to pass through the filter of the political parties. The Peronists benefited most of all from this process. As the radical groups shifted their attentions to the elections scheduled for 1973, much of the energy which had before been directed against the Army was transformed into a factional struggle

¹ For background, see Alexander Craig, 'Argentina. the latest revolution', *The World Today*, May 1967.

to dominate the Peronist movement, leaving the Army free to continue its endeavours to suppress the residues of the guerrilla movement, particularly the ERP, which had resisted Peronist cooptation. The effect of Lanusse's measures was thus to institutionalize the opposition and to re-focus expectations on the populists. Throughout 1972 and 1973, support for the Peronists grew in every sector of the population, eventually reaching more than 60 per cent of the electorate by October 1973.

Thus prompted by Lanusse and further encouraged by Perón himself, who sensed a final vindication of his career after 18 years in exile, the new radical groups, in part because of an inherited fascination for Perón and the latent populist impulse within their own ranks, found themselves shackled to a movement, whose precise commitments and relationship to the Army were difficult to determine. Henceforth the question was which of these various groups would prevail in the Peronist movement, and the kind of relationship they would establish with the Army. The Army's position, as it had shown on repeated occasions since the 1950s, was based upon the desire to establish a political settlement compatible with the economy's requirements for capital accumulation. In its view this could only come by restricting in some measure the incomes and consumption of the urban sectors. The Peronist movement, by contrast, although it also had support from urban producer interests, was essentially a coalition of the consumer and wage-earning sectors, which saw in Peronism precisely a means of escape from the austerity programmes of the immediate past.

After elections were duly held in May 1973, Lanusse ceded power to an elected Peronist government led by Hector Cámpora.⁸ For a few weeks, until July 1973, under the impetus of the left-wing Peronists led by the Montoneros, many of whom were catapulted into office by the change of government, there was a headlong drive to give some effective content to the doctrine of 'National Socialism'. It was quickly apparent, however, that the reformists in the Government, who turned their attentions to expropriating the foreign companies and purging the Army, were a considerable minority against others of lesser hue who swiftly exploited events to indulge in a patronage bonanza all too reminiscent of events in the past. At the same time, although political prisoners were released from detention, and a concerted effort was made by the Montoneros to infiltrate the trade unions, the mass media and the universities, none of this show of revolutionary fervour could disguise the fact that the new Government was based on little more than a segment of the middle-class intelligentsia, which commanded only a minority of support in the Peronist movement at large. Against the radicals, there quickly emerged a much larger coalition, essentially of the Centre, composed of more pro-

⁸ See David Rock, 'Argentina's quest for stability', *The World Today*, July 1974

gressive elements in the Army, men of property mainly in the industrial federations, and the bosses of the trade unions. With the support of such groups, and with the threat of encouragement from the Army, the drift towards radicalism was quickly halted by Perón himself. He withdrew his support from Cámpora who was forced meekly into resignation. After hastily improvised new elections, whose constitutional precedents were extremely dubious, Perón himself took office in October 1973.

Radicals weakened

The emergence of a government of the Centre exposed the weak position of the radical movement in society at large. With Lanusse's assistance Perón had successfully revived a multi-class populist coalition based, as in the 1940s, upon the trade-union bureaucracy. He also had the support of the Army, which remained, despite its recent show of political self-disengagement, the final arbiter of political power. The train of events during the brief period of the Cámpora Government revealed the absence of any real Socialist commitment in the country despite the lavish degree to which politics were garnished in the language of dialectical materialism and pitched in the style of class struggle. From 1969 onwards the springs of revolt had lain ultimately in the conservative impulse of protecting the existing corporate basis of urban society against the composite forces working for its metamorphosis and destruction. As the vote which swept Perón into power had shown, when a potentially radical alternative presented itself, the majority was likely to reject it with the same vehemence with which it had dismissed the military government.

More than 60 per cent of the electorate had now registered its preference for another attempt to confront the crisis by negotiation and consensus. With this massive support Perón was quickly able to turn his back on his own left wing, which found itself unable to reclaim its independence without abandoning its hope of winning popular support, or exposing itself to the charge of opportunism for having joined the Peronists in the first place. On his assumption of the presidency Perón thus appeared to enjoy a freedom of manoeuvre and an authority, born of his popular support, which had been denied to any of his civilian predecessors. Yet this could not disguise the fact that all the barriers from the past to effective action remained: the readvent of Perón to power merely masked the persistence of the inter-sectoral conflict in a superficial spirit of goodwill. Perón's attempt to confront the central issue of accumulation and investment was the re-edition of a policy he had first used, with no conspicuous success, in 1954. It consisted principally of an incomes policy known as the Social Pact, which tended to favour the unions, and thus consumption against investment, by its enforcement of price controls as a means of curbing inflation. It led to a sizeable redistribi-

bution of income in favour of the wage-earners and, for a brief period, the policy appeared to be enjoying some success. Yet the real reason for this was that the Government profited, in a manner which recalled the situation in the late 1940s, from a temporarily favourable trade balance in the wake of the current world boom in commodity prices. Once this favourable situation disappeared, as it did towards the end of 1974 with the oil crisis and the world industrial recession, it became evident that the populists would enjoy no more success than they had done 20 years before. The most they could do was to seek to perpetuate a facade of unity, first behind an ill-advised consumer boom, then in the traditional manner by indiscriminate increases in public spending, and, finally, by resort to staggering levels of corruption. Such action could, at most, only postpone the re-emergence of crisis in a much more virulent form. With the pressures upon it from a multitude of dissatisfied groups, and with the familiar downward turn in the economic cycle, the Social Pact swiftly disintegrated as a wave of inflationary pressures resurfaced throughout the economy. By this time, however, Perón was dead. In July 1974, in a manner which illustrated the improvisations of the political settlement of the previous year, power had passed to his widow, Maria Estela Martínez de Perón, 'Isabelita'.

Decline of populist regime

Perón's death and the questionable legitimacy of his successor gave the Montoneros the opportunity to resume their quest for popular support. In the hope of recreating the situation which had prevailed between 1969 and 1972, before the Peronist diversion, when they had appeared likely to evolve as the leaders of a mass popular opposition, they retreated into clandestinity and recommenced their guerrilla battle against the Army. However, on this occasion events took a different direction. What little remained of the atmosphere of 1973, the surging mass rallies, the indigestible profusion of street literature, the sense of popular participation in a process of revolutionary change, quickly gave way to an altered climate. As each side mobilized for the contest, the country was entertained to a daily spectacle of bombings, kidnappings and the decimation of its leading public figures. But the popular insurrections of years past, which the guerrillas desperately sought to trigger, failed to materialize. To prevent any links being developed between the rebels and the trade unions, the Army continued to support the civilian Government. With the disappearance of the Social Pact, however, it was soon apparent that Isabelita had few hopes of holding together the unwieldy coalition of 1973. At the onset of the economic crisis she was quickly pushed into a confusing medley of half-measures, whose only result was to precipitate a wave of hyper-inflation, immediately fanning into life the now traditional and highly orchestrated conflicts over the distribution of income.

Within a few months of Perón's death, and a year before she was almost mercifully disengaged from the presidency by the long-delayed military coup of March 1976, her rapidly shrinking power base, the despairing frequency with which she changed her cabinets, her dependence upon notorious political adventurers like José Lopez Rega, the frenzied oscillations from one policy extreme to another, all made it evident that Isabelita was destined for the same fate as each of her civilian predecessors during the past 25 years. At the end she found herself, along with many of her countrymen, reduced to a state of nervous collapse and physical prostration.

The 33 months of populist government which had begun in great optimism with Cámpora thus ended on a note of utter bankruptcy, amidst violence and corruption. As an army junta led by General Videla resumed power, no less than seven different political figures had occupied the presidency since May 1973. In permitting the populist interlude, and despite the economic chaos it had eventually entailed, the Army was now in a much stronger position to deal with the insurgents. 1976 was thus taken up with the bloody suppression of the guerrilla groups, whose suicidal valour now contrasted with the political ingenuousness they had manifested in 1973. The Army also took the opportunity to bury the cult of Peronism, and to exploit a state of popular demoralization to attack inflation by effecting a drastic fall in real wages. At the end of 1976 there was no clear sign of what the future would bring. The Army appeared to have destroyed the main cadres of the guerrilla movement, both the ERP and the Montoneros. Continuing fears of an uncontrollable popular reaction, led by the trade unions, at first prevented it from following the examples of neighbouring Chile and Uruguay, and escalating the level of repression. However, by the middle of 1977 there were indications of an increase in the level of persecution, which transcended the immediate goal of destroying the guerrillas and was aimed at the press, the universities and the intelligentsia. Apart from this strengthening of the Right, the basic issue remains the attempt of a highly sophisticated urban society, fortified by the populist governments of the post-war period, to arrest the disruptive forces undermining its existence. The continuing search for accommodation in the present structure, and the inability to confront the inevitably radical and unpalatable alternatives, explain many of the paradoxes which have been apparent during the past few years: the leftism of movements like the Montoneros, which could well transpire to be the opposite; the anomaly of a trade union movement, which has frequently acted as a bastion of support for the political *status quo*, and hence the apparently unintelligible contradiction of a Left made up of the middle classes, and a Right composed to a certain degree of the working class; a society in which profound discussions of Socialism continue to mask the aspiration for populism.

The future of the Falkland Islands

RICHARD JOHNSON

WHEN the British Government, in the latter half of 1975, decided to commission an economic survey of the Falkland Islands under the chairmanship of Lord Shackleton, it began the process, it must be presumed knowingly, of bringing to a head a number of issues whose resolution will now have to be faced. The outside world once again had its attention drawn to a small piece of land whose sovereignty in a post-colonial era was in dispute. This time it was a group of islands in the southern Atlantic 300 miles off the Patagonian coast of Argentina. Since 1833 the Falkland Islands have been continuously settled by the British who, along with the French (the first settlers) and the Spanish, had occupied them for much of the previous 67 years. The longstanding claim by Argentina to Las Malvinas (their Spanish name), which has periodically surfaced in the United Nations, derives from the relatively small Spanish settlement on the Islands from 1767 to 1833, ended by a reprisal bombardment of the garrison by the United States and the subsequent re-settlement by the British in greater numbers than their earlier occupation. Although the Shackleton survey was independent of government with no political brief (indeed, the original request for the survey came from the Islanders as a result of concern over their economic future), its terms of reference included the directive to explore the development potential of possible offshore oil and fish resources. The decision of the UK Government to commission the survey provoked strong objections from an unstable Argentinian regime and was soon characterized as a neo-imperialist adventure. While the subsequent incidents, including the withdrawal of the British Ambassador from Buenos Aires and a clash between an Argentine destroyer and a British scientific survey ship, are now receding in the memory, and Argentina has since had a new government, the fact remains that the UK Government has before it the findings and recommendations of the Shackleton report.¹ To implement the major economic development proposals would, in the Government's view, need Argentine co-operation. Argentina in turn is not interested in discussions on economic co-operation without the topic of the Falkland Islands' sovereignty also being on the agenda. The question that now arises is 'Do the Falkland Islands have a future without direct Argentinian co-operation?', given that, as a result of their initial request for the survey,

¹ *Economic Survey of the Falkland Islands* (London HMSO, July 1976)

The author is a research consultant with the Economist Intelligence Unit and was a member of the Shackleton survey team on the Falkland Islands

the Falkland Islanders themselves have been made more acutely aware of the external as well as the internal issues confronting them.

The Falklands consist of two large islands and numerous small ones, some of which are also inhabited. In land area they are about the size of Northern Ireland but considerably more dispersed. The population of 1,900 is divided between Stanley, the capital and only town on the Islands where there are just over 1,000 people, and 33 settlements, the largest of which has 140 inhabitants and the smallest only two. The Islanders are almost entirely British and any visitor cannot but be impressed by their strong desire to remain so. The 'kelpers', as the indigenous people are known, trace their antecedents to many parts of Britain. Because of the relatively short time of settlement, there is little evidence of a distinctive local culture. This phenomenon has also been sustained by the fragmented nature of settlement and the limited communications on the Islands. There are, for instance, no roads. Travel is by landrover or horse (now less so) over rough 'camp' tracks, or by use of the Islands' air service, consisting of two single-engined Beaver float planes, which operate on an on-call taxi basis.

The economy

Up to now the economy has been overwhelmingly dependent upon wool production. The climate is cool, temperate with high average wind speeds, and the highly acid soil means that the grasslands are generally rather poor. This must necessarily restrict the number of sheep the Islands can support (now about 650,000) and so, too, the size of the population dependent upon this industry. Past efforts at diversifying into mutton freezing failed, mainly because of difficulties of organizing and integrating this activity with that of sheep management for wool production. Overall output has remained static with the result that the economy has, if anything, declined in real terms as wool prices have tended over a period not to keep pace with the price of imported food and goods, although a striking real improvement in wool prices was registered in 1975-6. Thus research into methods of raising agricultural productivity per acre must lie at the root of efforts to strengthen the economy of the Islands. Such research into improving the grasslands and sheep management is already being carried out by the Grasslands Trials Unit, financed by UK aid.

But before examining existing diversification opportunities, which could give the economy a broader base and also increase the range of employment opportunities, certain other important and unsatisfactory aspects of the economic and social structure need to be understood. Not only do they throw into perspective the issue of future UK aid for the Islands, but failure to tackle them will cast serious doubts over the longer-term survival of the community as it exists today, regardless of the

potential for new forms of development. One hesitates before using the word 'survival' in this context, as experience has shown in the Highlands and Islands of Scotland that, in the face of migration and a weakening economic base, communities have remained after predicted 'survival' thresholds were reached. However, the circumstances are rather different for a group of islands 7,500 miles away from the mother country, which must support their own government, of much wider responsibilities than those of UK local authorities, and where a population trend leading to the continuous shrinking of the proportion of indigenous islanders (currently about 80 per cent) must eventually colour the attitude of a government defending the sovereign wishes of Falklanders against outside claims. For it is among 'kelpers' that migration has been most marked. The position has now been reached where the Islands cannot afford to lose many of the present and next generation of young Falklanders; indeed, they need an increase in population, particularly by Falkland Islanders now settled around the world, who have expressed their willingness to return if opportunities were created and certain changes brought about.

Ownership of the 36 farms (averaging 8,600 acres each but varying in size from about 1,000 to 350,000 acres) resides largely, in terms of area, with fourteen companies which are registered outside the Islands, mainly in the UK. There are four owner-occupied farms and another nine 'sole-traders' and partnerships. In other words, there is very little owner occupation and the opportunities for Falkland Islanders to acquire a piece of land and farm it themselves are severely restricted by this ownership structure and the absence of suitable banking and loan facilities within the Islands. Of the companies, by far the largest is the Falkland Islands Company: as well as owning eight farms, about 46 per cent of the land, it provides the coastal shipping service which supplies the settlements with goods and takes away their produce, runs the charter vessel which transports the wool clip to the UK as well as bringing out the necessary imported goods four times a year, and also has a large market share in the Islands' wholesale and retail trade.² This pattern of ownership has been a major cause of two distinct but linked features of the economy and its relationship to that of the UK. The Islands have suffered from under-investment, which has been the main reason behind the lack of growth in the economy. Admittedly investment opportunities do not readily present themselves and the political climate has at times hardly been encouraging; the fact remains that with absentee owners, who may have more attractive uses of funds available to them, the farm companies (and this to some extent applies to all Falkland farming organizations) have elected to distribute a large proportion of their profits rather than invest them in such projects as sustained pasture improve-

² Some degree of monopoly in the retail and service sectors is both inevitable and sensible in a community of this size and isolation

mentschemes, more extensive fencing etc. There are, of course, exceptions.

The result of this has been that over the last 25 years roughly £10-12 m. (in constant 1974 prices) of company funds have flowed out of the Islands to the UK. It is also estimated that over the same period the UK Exchequer has benefited by way of corporation and dividends tax to the tune of some £4 m. This sum compares with UK aid from 1950 up until the time of construction of the permanent airfield in 1974 of £1.7 m.^a The airfield is likely to cost the UK Government about £6-7 m. by the time it is completed. It is readily apparent that the Islands have suffered from a considerable net outflow of resources, and that historically the UK tax payer has been a financial beneficiary rather than a supporter of the Falklands.

Social aspects

Another striking consequence of the structure of the economy is the stratification it has produced within the society. In the settlements there is a marked division between the land-owning/managerial class and the employees of the companies (recognizing that many of the managers are also employees), with small owner-occupied farms being few in number. This has led to a notable lack of entrepreneurs and small businesses within the Islands. This situation, together with the community's colonial status and the poor communications, has resulted in a significant degree of dependence among Falkland Islanders. In material terms, the company employees are relatively well off and generally well looked after by the companies, which provide free housing, fuel, meat and milk—a process which tends to reinforce their dependence. The social structure also makes for a certain degree of inertia in local political and economic affairs. However, attitudes are changing, particularly among the young who are increasingly less prepared to accept the status quo.

Certain other unsatisfactory social features of the Islands are urgently in need of improvement. Inevitably, isolation is an accepted part of life in the Falklands, but better communications, and in this connexion the building of some simple low-cost roads, could considerably reduce the impact of isolation and improve the quality of life, as well as facilitating social and political involvement and increasing economic activity. Recreational and educational facilities also need attention. However, it would be wrong to conclude that the way of life in the Islands no longer holds attractions for young and old 'kelpers', or that they are a somewhat divided and dispirited community. The issue of sovereignty itself is a strong unifying bond which reaches across all ages and classes of a hard-working and resilient people. Even so, unless there is a prospect of change in the socio-economic structure of the Islands, the departure of young Falklanders is likely to accelerate.

^a See Shackleton report, *op cit*, p. 28

Agricultural reform and other development potential

The Shackleton report placed considerable emphasis on the need to create opportunities and means for independent-minded shepherds to buy or lease units of land. Some of the small and usually more fertile islands and peninsulas are particularly suited to this kind of agricultural reform. Provision of loan facilities and supporting infrastructure will be essential to the success of this exercise, as will the size and type of land units made available and the quality of the people undertaking this venture. However, the environmental and physical problems confronting small farm units in the Falklands are not to be underestimated. Some of them could also help support themselves and usefully expand the economy of the Falklands through vegetable and dairy production, both of which commodities are currently imported in considerable quantities.

The failure of a previous mutton freezing plant, operating from 1953 to 1955, has already been mentioned. The project was ill conceived in several respects and many of these constraints, including the absence of roads, would still apply. Two factors, which would affect the viability of all relatively small manufacturing enterprises in the Falkland Islands, would be the diseconomies of scale and the distance of the Islands from the world's main markets. (South America is obviously not a potential outlet for imported mutton.) Craft industries such as wool scouring/spinning, knitwear production, sheep-skin curing and weaving are all possible activities which could take place in the Falklands, upgrading the value of the local product and providing a wider range of jobs, particularly for women. The most attractive, potentially, is the production of distinctive knitwear from the high-quality Falklands wool.

However, two potential industrial developments would not suffer these drawbacks of scale and/or marketing. The first is the production of alginates. One of the natural features of the Falklands, apparent to anyone who flies around the Islands, is the belt of seaweed, known as giant kelp, growing some 50 metres or so off much of the extensive coastline. Colloidal salts of alginic acid can be extracted from this immense plant and are used as binders and thickeners, chiefly in the food, pharmaceutical and textile industries. A British company has for some time been interested in establishing a plant in the Islands but has been deterred so far by a combination of political uncertainties and world recession. Its management maintains that its worries would be largely removed if the Islands' airfield were extended so that it could receive short- and medium-haul jets, which would make it accessible from other South American countries than Argentina. The second potential development is tourism. For many, perhaps, the Falklands do not enjoy a very inviting climate but they do possess places, particularly on the smaller islands, with a marvellous abundance of marine and bird life. Taking accessibility into consideration, there are few, if any, better places in the world to see large colonies

of penguins and albatrosses. Seals of different kinds and many other species of birds can be closely observed in their natural surroundings. Wildlife tourism is a growing interest among more affluent nations and the Falklands have something unique to offer. (Even more spectacular is the island of South Georgia—a Falkland Islands dependency, 800 miles to the south-east but with no permanent inhabitants.) Some such tourism already takes place, both through visitors arriving by air and by means of a wildlife tourist ship, the *Linblad Explorer*, which includes the Falklands in a round trip of Tierra del Fuego and Antarctica. For tourism to develop, and it would always be on a relatively small scale (up to 7,000 visitors a year) and dispersed (which would be advantageous to the Falklands economy), external communications, accommodation and internal transport facilities would have to be greatly improved. Tourism has not always been of benefit to islands, either socially or economically, and at least half of the income from this industry would not accrue to the Falklands. But it would provide a valuable alternative, albeit seasonal, employment with the particular advantage that investment opportunities for small local enterprises would be created and would fit well into the kind of development foreseen.

The Argentine dimension

Such developments would have an obvious political dimension *vis-à-vis* Argentina, but it is not necessarily of prohibitive proportions. The manufacturing and exporting of alginates need not touch Argentina, nor is it clear what part of the operation would hinge on the runway extension other than the symbolic value it might carry of UK support for the Islands. Any substantial increase in tourism, sufficient to justify some of the necessary investment, does depend on the Falklands being able to receive charter jets directly from South American cities, including Buenos Aires—a significant proportion of the tourist trade would in fact be from Argentina herself. At the moment the permanent runway, which is just being completed, can on a regular basis only receive propeller-driven F-27s (and similar sized aircraft) from the Patagonian town of Comodoro Rivadavia. The service, which was part of the UK–Argentine Communications agreement signed in 1971, is run by LADE, the Argentine state airline, on a once or twice weekly basis, and all air passengers flying into the Falklands have to possess a ‘white card’. Although easily obtainable for Falkland Islanders and their relatives, but nevertheless a source of irritation for them, it can provide a means for Argentina to control the level of visits to the Islands even if only by its nuisance value. It is a matter of speculation whether direct flights by airlines from other South American countries would take place in the face of strong Argentine pressure, assuming it were applied.

Both fisheries and oil development could only take place with explicit

Argentine agreement, not to say active co-operation. Apart from the question of defence (the Icelandic and North Sea experiences readily illustrate this issue) and the need for first-class communications/logistics, it would make for more economic sense in the case of oil exploration and production for much of the operations to be conducted from the mainland.

Oil, gas and fishing prospects

What, then, are the offshore oil and gas prospects? The answer is still uncertain because of the paucity of seismic data of the geological structures. The only survey to date was a limited one carried out by a Birmingham University team in 1971-4. Preliminary results are sufficient to indicate that the Malvinas Basin, which is an extension of an oil- and gas-producing sedimentary basin in Tierra del Fuego and which lies off the west coast of the Islands, is the most promising area. There is no doubt that oil companies would take up a reasonable offer of exploration licences, assuming that political obstacles were removed. Argentina is shortly to invite bids for risk-bearing exploration/production contracts to explore blocks in her sector of the Malvinas Basin. However, because of the water depths and the hostile environmental conditions, it would not be sufficient merely to discover oil: it would have to be discovered in large accumulations for commercial development to take place. Thus the prospect is sobering rather than exciting, but it is a venture not beyond the offshore capability of the oil industry given its North Sea experience.

There is currently no coastal offshore fishing from the Falkland Islands, despite their being surrounded by seas believed to be rich in marine life. This fact can to some extent be explained by the absence of a home market of sufficient size. A description of the fish resources of the south Atlantic can best be treated under two well-defined oceanographic zones divided by the Antarctic Convergence, which separates the cold waters of the south and east from the warmer waters of the South American continental shelf on which the Falkland Islands lie. The latter waters are believed to support large populations of fish such as blue whiting, hake and croaker which might, though not necessarily, be most economically fished from the Falklands. Exploratory fishing would be required to establish sustainable catch yields and later, if justified, a pilot fishing project would be a necessary step before a full-scale fisheries industry could be developed. Again, because of the distance to the markets, a small-scale coastal fishing enterprise would be unlikely to be successful unless it involved a high-value product like crab. However, it would have to be recognized that the Falkland Islands would be radically altered by the economic and social impact of a fisheries development (and this applies also to the establishment of an oil terminal) whose scale would result in at least a doubling of the current population of the Islands,

which then would most likely no longer be made up of a majority of British stock. The open oceans south of the Antarctic Convergence, which surround South Georgia, contain what is probably the largest untapped source of protein in the world in the form of krill, a shrimp-like animal some $\frac{1}{2}$ cm long. Estimates of a potential annual harvest of krill, the food of the now almost extinct blue whale, have been put as high as 150–200 million tons per year, over twice the total annual world fish catch. It is to this resource that the Russians, Germans and Japanese have directed most of their current exploratory fishing effort in the south Atlantic. The British have yet to show any effective interest. The point about a major fisheries industry in the south Atlantic, and this applies to both white fish and krill, is that, as well as sustainable catch rates, the value of alternative protein in the world will be critical in determining when, how and at what level development will take place. And although, in view of the world population growth, it is probable that such development will take place, the uncertainties over timing, scale and location argue against its inclusion as a basic element in a suitable current development strategy for the Falkland Islands.

A way forward

The UK Government has taken the view that without some form of co-operation from Argentina, investment in new projects in the Falkland Islands is unlikely to take place. In order to try to achieve this, the Government has had to persuade the Islands' legislative council that it would be unrealistic to expect Argentina to enter into any negotiations on economic co-operation while refusing to discuss the issue of sovereignty. A satisfactory interim resolution to a dispute of this kind does not have to involve short- or medium-term timetables for a transference of sovereignty. But having set the ball rolling by requesting an economic survey, the Falkland Islands must also accept that a continuation of political and economic limbo must in the long run be harmful to the Islands' prospects. At the same time, it must be for the Falkland Islanders to give their approval or otherwise before any bargain is struck between the UK and Argentina.

However, taking account of the issues and points made in the earlier discussion of the Falklands economy, it should be clear that certain vital developments *can* take place without Argentine co-operation. The absence of such co-operation should not be an excuse for inaction either by the UK Government or by the companies operating in the Falklands, or by the Islanders themselves. As well as further feasibility studies, the Shackleton report recommended that tangible action be also taken in economic, social and infrastructural spheres of activity. Not only are positive steps necessary in their own right to bring about some of the desired changes, but for all parties they would signify a belief in the

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survival of the community. The Shackleton survey costed a number of recommendations in the report's development strategy, of which the UK Government would have to provide aid worth some £5·5-£6 m. over a period of five years. Of these by far the largest item was the cost of extending the runway at £3·5-£4 m., but perhaps the most important was the appointment of a chief executive/development officer to the Islands' government. The current diplomatic appointees and local staff do not and cannot be expected to constitute a development-oriented government. What is needed is the injection of the sort of negotiating role played by a local government chief executive officer together with that played by the Highlands and Islands Development Board in Scotland, which both seeks out and follows through development opportunities. The HIDB has shown that it is possible to help people to help themselves. Change in the Falklands has not and will not come about through a passive role on the part of their government.

Even allowing for the past contributions the Islands have made to the UK Exchequer—one of the development objectives would, of course, be to reduce this—aid on this scale at a time of domestic economic stringency will not readily be forthcoming from a Government body like the Ministry of Overseas Development, whose aid criteria are rather different from those invoked by the Shackleton recommendations and which normally apply to countries with markedly lower GNP per capita levels than that of the Falklands. However, the UK Government has to face the probability that aid and support of development for the Falklands could be delayed to a point when it would no longer serve any useful purpose anyway. And, for their part, companies operating in the Falklands and other potential investors who wish to secure the future of the Islands have to do more than support and sponsor the Falkland Islands Committee (a UK-based lobby group). Neither Government nor private sector can afford to wait for the other to make the first move if they wish to improve the prospects of the Islands. Time is not on their side.

Social control in liberated Indochina

DENNIS DUNCANSON

Economic arguments are used to justify, but political considerations explain, the effects of national liberation on personal freedom in Indochina.

Two predictions of commentators on Indochinese affairs about what would follow from the liberation of South Vietnam, Cambodia and Laos have not come true. The first prediction, argued from the example of the Vietnam Workers' Party's takeover of North Vietnam in the 1950s, after the 1954 Geneva conference, was that, at least in South Vietnam and probably in Laos too, there would be a bloodbath among the Party's opponents. There has been none in either South Vietnam or Laos, instead, it is the Cambodians who have suffered the slaughter—to the extent of one in ten of the population, it is believed outside the country, if we include both those put to death and those left to die from exposure without food. The second prediction was that the victory of North Vietnam's People's Army and of its Laotian and Cambodian ancillaries, the Patriotic Forces and the Khmers Rouges, would be followed by moves, not only to unite the two Vietnams, but also to revive the colonial Federation of Indochina, for that had been foreshadowed in Communist programmes before and during the civil war. There is always time for federation on the state level but, for the present, Laos and Cambodia are exhibiting greater independence of Hanoi than at the height of the war, not less.

The victorious Communist authorities had reason to expect an even colder welcome in the territories they took over in 1975 than had greeted them in Tonkin in 1954. The prospects for them were brightest in Laos: there they had won a few seats in parliamentary elections and taken part in the government in the 1950s, most of the fighting had been in hill country inhabited by ethnic minorities, and the Communist assumption of power was spread over more than three years. In Cambodia, on the other hand, Prince Sihanouk had for years prepared his people for exploitation by China and Vietnam if the Communists ever won power; his own change of sides in 1970 tended to discredit him as unprincipled rather than to undo the credit of his prophecies, especially when Communist

Mr Duncanson is Reader in South East Asian Studies at the University of Kent at Canterbury and author of *Government and Revolution in Vietnam* (London OUP for RIIA, 1968)

forces in Cambodia, both under North Vietnamese command and after non-Vietnamese officers were appointed (1972-3), perpetrated atrocities of studied brutality on the masses. In South Vietnam, one in twenty of the population had either run away from the Communist takeover of North Vietnam or were children of parents who had; and during the war, every time the People's Army had advanced on the towns and called on the masses to rally to it (in 1968, 1972 and 1975), these had again run away from it. The number of inhabitants of any of the three countries whom the Communists had been able to absorb into their organization before seizing power did not exceed one in seven, and in Laos even those were predominantly non-Lao tribesmen—even though prudently designated as 'Patriotic Forces'. Although a Hanoi periodical has claimed that 200,000 political prisoners of the old regime 'liberated themselves and swelled the revolutionary cadre'¹—the same figure supplied to, and published by, Amnesty International—the 'joyous releases' actually reported in Party newspapers add up to barely 1,500. Support for the Marxist-Leninist regimes about to be set up was not ready-made—the Party was obliged to work for it.

What had the Party to offer? The Leninist slogan 'national liberation' sounds stirring over the air to ears unattuned to the realities of Communist politics, but the Indochina comrades must have known that, after thirty years of armed struggle and their experience in Tonkin, the masses understood the slogan's true meaning, namely a permanent monopoly of power in the hands of a Politburo; the most the latter could hope for was a negative attitude that political choices were immaterial. The Party had, in fact, nothing positive to offer at all: land reform was irrelevant, for landlordism had never evolved in Laos or Cambodia and had been terminated in South Vietnam by the old regime,² and collectivization holds little appeal for peasants used to a free market, for all the promise of 'economies of scale' and, eventually, 'socialist mechanization' to compensate for the private, 'bourgeois', machines they would no longer be able to use.

Fortunately, in all three countries, armed opposition since liberation has been minor—little more than the banditry of Indochina's earlier history, the Communist authorities have been torn between playing it down as a sign of dissidence and playing it up as evidence of the evil intent of the Siamese and American Governments, allegedly supporting it from outside. A quarter of a million supporters of the old regimes are said to have escaped abroad, and the flow continues. Unlike the aftermath of the 1954 Geneva conference, the Communist authorities conceded no terms of surrender in 1975 and were therefore free to allow or forbid political

¹ *Luat Hoc* (Legal Studies), September 1975

² At liberation, 'remnant feudal landlords' in Annam due for expropriation owned on average a mere 22 acres a family *Saigon Giai Phong* (Liberated Saigon), 19 August 1976

emigration; they forbade it. The Chinese Party tolerated it for a few months in 1949, to its disadvantage, but usual Communist policy is to forbid it as being evidence against the dogma that 'revolution is desired by the masses'; the Cambodian Communists have gone so far as to pursue refugees into Siam and kill them there—not perhaps out of spite but lest they should fight their way back in. Only totalitarian social control can render Indochina immune to counter-revolutionary People's War at some future date.

Constitutional measures

Constitutional developments have differed between the three countries. In Laos, where fighting stopped in 1973, the policy has been a variant of the creeping 'national-front' usurpation followed in Eastern Europe between 1945 and 1948. the first, paralysing step was duplication of ministers with Communists and subordination of the Cabinet to a consultative Council deliberating by unanimous resolution and with powers of veto, the second step was the gradual increase of Communist officers in the public administration and the Army; the third the deposition of the King—focus of potential dissent—and the fourth his removal and that of civil servants to 're-education' camps.³ Marxist-Leninist policy in Cambodia has been marked by contrary lack of subtlety: the victors ignored the necessity for civil government and liquidated everybody who had formerly occupied any official position. Nine months later, a new Constitution was promulgated on orthodox lines, except that the Army plays 'the leading role' instead of the Party and the masses have rights only to labour and to believe in, though not practise, religion.⁴ With the country shut against all foreign observers, it is impossible to find out whether there is any law in force or any recognizable administration has returned.

In South Vietnam, as soon as the capital fell, a military governor was appointed, and all existing laws and powers under them were annulled, one effect was to silence the advocates-at-law whose critical volubility had added to the old regime's bad press. From then until formal unification of South with North in June 1976, a sort of Lex Wellington prevailed, the will of the military power being the sole source of law; regulations were issued from time to time in the name of local revolutionary committees, and occasionally of the phantom 'People's Revolutionary Government', but most were silent about their authority. Presumably, under the unified Socialist Republic, laws and powers in force in the older Democratic

³ For the formula, see Duncanson, 'Protocol for Peace in Laos', *The World Today*, October 1973, for an inside view of it in action, see Prince Mangkra Souvannaphouma, *L'Agonie du Laos* (Paris Plon, 1976)

⁴ For an analysis of different versions and their language, see D. P. Chandler, 'The Constitution of Democratic Kampuchea—Semantics of Revolutionary Change', *Pacific Affairs* 49 (3), 1976.

Republic (including Ho Chi Minh's 1967 decree prescribing capital punishment for counter-revolutionaries) began to apply in the liberated provinces as well; but the will of the Party prevails over all else anyway, through whatever channels it chooses to express itself, and the Constitution confers on aggrieved persons no right of redress against arbitrary controls.

In all three countries, the constitutional position of the Party is ambiguous at the level of the relationship of Party to state; it is deliberately baffling at that of the relations of Vientiane, Phnom Penh and Saigon with the Politburo in Hanoi. The identity of the supreme rulers of Cambodia is a notorious mystery, deepened by the 1976 Constitution; the minute Bak Pracheachon (People's Party) of Sihanouk's day was the old Indochina CP, reconstituted as the Vietnam Workers' Party in 1951, and the present 'Revolutionary Organization' (presumably combining Politburo and Army command) claims to have originated in 1951 and seems to be the same entity.⁵ There is no reason to postulate for it any mass membership,⁶ and the oligarchy headed by Comrades Pol Pot, Non Suon and Saloth Sar, whether those are three people or two,⁷ need not number more than a handful of individuals, but where they come from, and how they relate to the wartime leader and current Head of State, Comrade Khieu Samphan, is withheld from the Khmer people. Wartime figureheads such as Comrades Prince Souphannouvong of Laos and Nguyen Huu Tho of South Vietnam have been relegated since victory, the former upwards and the latter sideways, to make way respectively for Kaysone Phomviharn and Pham Hung, whose very photographs were for long Party secrets. The Laotian Phak Pasason, of the same 1951 vintage as its Khmer brother organization, has never emerged as a mass party either, and the identity of its leaders was withheld until several months after the 1973 agreements, into which the Royal Lao Government entered without knowing who the other party was for whom the Communist signatories Souphannouvong and Phoumi Vongvichit were acting as emissaries; candidates in the frequent Lao elections are voted for by numbers and remain anonymous until after the event.⁸ In Vietnam, by contrast, the Party has long had a mass following and has been open about the identity of its Politburo; whereas the Laotian Party is in the early stages of assembling a rank and file, the Vietnamese Party has marked victory by holding a Fourth Party Congress, in December 1976, to con-

⁵ A Phnom Penh newspaper quoted over Radio Voice of the Thai People (Communist), 28 October 1976.

⁶ By 'party of the masses', Lenin did not mean a party with a large number of members, as was once pointed out by a Mongolian comrade X J Eudin and R C. North, *Soviet Russia and the East 1920-1927* (Stanford, Calif.: Stanford University Press, 1957), p. 207.

⁷ See *Far Eastern Economic Review*, 29 October 1976.

⁸ Souvannaphouma *op cit.*, pp. 58-9, 160-1.

firm the old Politburo in power, its membership hardly changed for thirty years, to double the Central Committee, to change the name from Workers' Party back to Communist Party, and to purge the rank and file of 'tens of thousands of unqualified members'.⁹ In the past, Vietnamese purges have come after periods when the Party has bestowed the honour of membership rather generously in localities where it felt the need for an element of voluntary support, the cancellation of such memberships presages a tightening of democratic centralism in the next period.

Precedents for Vietnamese hegemony over Laos and Cambodia go back a long way; from colonial times until the Marxist-Leninist victory, the Vietnamese provided all the development skills and the revolutionary violence, as well as the logistics and most of the manpower required for 'progressive' political change in Indochina. The views of the present leaders in Hanoi, Vientiane and Phnom Penh on this matter are a secret well kept from the masses, so that we depend on inference. Ambition must provide an incentive for Cambodian and Laotian comrades to seek maximum 'national' autonomy, and the strategic imperatives of Vietnam's west flank may be offset temporarily by a wish in Hanoi to avoid responsibility for the lesser brethren's economic problems; in the case of Cambodia, the latter are being alleviated by China,¹⁰ though it would be rash to read into that single fact any rift between Phnom Penh and Hanoi. There have been no more pan-Indochina summit conferences since the Communist wartime series, and, as in 1954, the policy is currently to play up nationalism again. Hanoi's relations with Vientiane, influenced by weightier strategic considerations than with Phnom Penh, appear to be closer: there is still a garrison of upwards of 50,000 men of the People's Army in Laos,¹¹ and French colonial plans for diverting the direction of Laotian trade from Bangkok to Vinh and Haiphong are being pressed on with at last. The French motive was primarily political—closer integration of Laos with Vietnam and use of its territory for the penetration of Thailand,¹² when announcing their joint plans, Comrades Kaysone Phomvihane and Le Duan included in the same communiqué a denunciation of Thailand and a promise that 'Laos and Vietnam will participate in making South East Asian countries independent, peaceful and truly neutral.' If the Indochina Communist Party does live on, Vietnamese hegemony within it is probably limited at present to the two 'reserved subjects' of colonial-protectorate times, defence and external relations, including promotion of 'national liberation'.

⁹ Secretary-General Le Duan, reported in *Hoc Tap* (Hanoi), December 1976. See also Ralph Smith, 'Vietnam's Fourth Party Congress', *The World Today*, May 1977.

¹⁰ *Far Eastern Economic Review*, 10 December 1976.

¹¹ On its recent reinforcement, see *Daily Telegraph*, 3 March 1977.

¹² See H. Cucherousset, *Le Chemin de Fer de Tan Ap à Tha Khek* (Hanoi: Éditions de l'Éveil Économique, 1924).

Political measures

A number of obvious measures of social control followed liberation all over Indochina: books were burnt, schools were shut, all supplies, especially food, were commandeered and rationed—in Cambodia 'according to merit'—the population was re-registered and movement was subjected to travel permits. However, the chief political measure has been something called in English 're-education' but in Vietnamese 'moulding through labour' (*lao dong giao duong*); it is the gentler substitute in Laos and Vietnam for the Cambodian slaughter of defeated officers and officials loyal to the old regime. The location of some of the camps in Laos has been quite open, though others, near the Vietnamese frontier, are out of sight for foreigners;¹³ but in Vietnam location of the camps is, with a few exceptions, an official secret, and communication between inmates and their families is either subject to prison rules or denied altogether¹⁴—in some instances, families suspect, because the inmate has been done away with. In both countries, it appears, the entire officer corps has had to undergo the process, for periods from a few months to three years. In the civilian sector, professionals, including engineers and doctors, have been taken, but it is not clear how far down the hierarchy of the public administration the net has been cast; in at least one published instance, a 'People's Court of 10,000' sentenced a man to 'remoulding'. Taking Laos and Vietnam together, the number of individuals who have passed through the camps must be over a quarter of a million.¹⁵ Length of stay, as in a *gulag* anywhere, depends on the Party's judgement of the individual's frame of mind; even on release, though he will have had to write a confession, he remains literally an outlaw, without civic rights unless these are restored as an extra act of Party clemency later on. 'National reconciliation', writes *Saigon Giai Phong*, 'does not necessarily imply indulgence'. Remoulding is generally portrayed as an act of liberality in itself, by comparison with some other, unspecified, treatment¹⁶—presumably the method applied in Cambodia.

Economic measures

The economies of Indochina, together or singly, are potentially sound; present deficiencies are the result of civil war, and their rectification is delayed solely by the regimes' self-imposed political constraints. The extreme 'stone-age poverty' in Cambodia follows years of financial self-sufficiency: the hand which today adds a second pathetic tin can of rice

¹³ Souvannaphouma, *op cit*, pp 124–8, 162

¹⁴ Details taken from newspapers *Giai Phong* (Liberation) or *Saigon Giai Phong*, especially 6 August 1975

¹⁵ '... hundreds of thousands...' according to *Tạp Chí Quân Đội Nhân Dân* (People's Army Magazine), June 1975

¹⁶ As explained to M. Jean Lacouture, known as a sympathizer, when, exceptionally, he was allowed to visit one of the camps. *Nouvel Observateur* (Paris), 31 May 1976.

to the Khmer masses' daily diet, that of Comrade Khieu Samphan,¹⁷ is the same one which in 1970, at the head of a Hanoi expeditionary force, deliberately wrecked the country's three main sources of foreign exchange—the paddy of the Battambang prairie, the dried fish of Tonle Sap, and the tourism of Angkor. All these industries could have been restored within months if the absolutism of Marxist-Leninist leaders had not been dependent on 'a revolution more radical and far-reaching' (in the much quoted euphemism of Sweden's ambassador to Peking, Kai Björk) 'than either the Chinese or the Russian revolution'. 'Self-reliance' is usually spoken of in the Indochina context as a sign of idealism on the part of Communist leaders; Hanoi's constant demands that the United States should fulfil unilaterally promises of aid to Vietnam under the 1973 peace agreement, together with its haste to join the International Monetary Fund and woo the Asian Development Bank, are evidence that 'self-reliance' turns on political expediency. Control of manpower in Saigon through movement control 'will rationalize the work force', but at the same time 'consolidate defence and heighten revolutionary vigilance'.¹⁸ Both the Vietnamese and the Laotian authorities follow Lenin's New Economic Policy of tolerance of small and medium industry and trade, expropriating only the 'comprador bourgeoisie'—those relying on foreign links for raw materials or markets;¹⁹ but collectivization is the ultimate policy, regardless of the effect on skilled labour, management and productivity, all admitted to have been high under the superseded capitalist regime.²⁰ Men of military age in Vietnam are being conscripted into a huge standing army, ostensibly to meet 'the challenge of international imperialism';²¹ the Army is to provide not only labour for irrigation and construction projects but also a tool of social control, not only to inculcate habits of discipline at work but also to keep the under-employed out of political mischief.

On the excuse of urban unemployment coinciding with shortage of paddy, all three governments are following a back-to-the-land policy for townsfolk who are not deemed essential for industry or services in prospect, both of which owe their sharp curtailment since liberation to the requirement for 'socialist transformation' in isolation from the outside world. In Cambodia, the policy meant driving all town dwellers from their homes, indiscriminately, at bayonet point; in Laos, after months of 'gentle revolution', the rounding-up of 'corrupt youth'; in Vietnam, 800,000 Saigon residents had been transported to 'new economic areas' in the provinces by the end of 1976.²² All of Indochina has experienced

¹⁷ Broadcast reported in *Bangkok Post*, 18 April 1977

¹⁸ *Saigon Giai Phong*, 22 August 1976

¹⁹ The authority of Lenin is cited in *Hoc Tap*, November 1976

²⁰ *ibid.*, February 1976

²¹ Marshal Vo Nguyen Giap in the People's Army Magazine, November 1976

²² Council of Ministers and Fourth Party Congress figures. *Hoc Tap*, December 1976, read with *Saigon Giai Phong*, 4 September 1976

rising urbanization for at least twenty years; the phenomenon is usually explained away as 'forced evacuation from American bombing', but a bigger factor than the war (which also brought Communist mortaring) has been rising expectations,²² and the increasing availability of mechanical transport, by land or waterway, has enabled some peasants to work their fields by day but reside in a town nearby. On the assumption that back-to-the-land is a form of relief for displaced persons, the United Nations Commission for Refugees and the Swiss and Swedish Governments have given money to help it in both Laos and South Vietnam. Most reports represent the movement in Vietnam as voluntary: young people—many of whose schools and colleges have not reopened—are persuaded to go on ahead and prepare sites for dwellings, dig wells and so on, and then the families follow by lorry. No doubt there will be amenities in the future, but, as the authorities half admit, life has been rough at first, without medical or postal services, paraffin, soap etc.; and, of course, tight movement control blocks hope of escape. Quotas for 'volunteers' are set for city boroughs; the response cannot but be affected by desperation at having one's regular employment terminated by liberation without social welfare to fall back on.

If the problem really were demographic and the purpose economic—to grow more food—it would seem preferable to extend the boundaries of paddy land already under tillage by experienced peasants than to draft city folk, on their own, to the 'red lands' north of Saigon, long ago pronounced unsuitable for paddy by French soil chemists. The purpose is better understood as a desire to halt half a century of rising standards of personal living in South Vietnam and to disperse potential malcontents; among those deported from Saigon, for example, are the families of individuals undergoing 're-education'. Nor is it only ethnic Vietnamese who are drafted: Chinese people have to go as well, and whole tribes are being brought down from the hills to new economic areas in the plains. Furthermore, in resumption, it might be said, of the centuries-old migration of the nation from its Tonkin homeland, the movement has been extended to townsfolk in North Vietnam. The new economic areas for northerners seem to be in more favoured uplands and to be intended for cash crops, but this may not be kept up, since the half-million already moved are to be followed by many more and, with the southerners, will bring the total in Vietnam's 'virgin lands' (as the Russians say) to four million by 1979.²⁴ The announcement of these plans, forming part of a Party restatement of the correct ratio of industry to agriculture in the national economy, happened to coincide with last December's posthumous publication of Mao Tse-tung's 'Ten Relationships', the first of which deals with the

²² See the researches of Allan E. Goodman and Lawrence M. Franks, 'Dynamics of Migration to Saigon, 1964-1972', *Pacific Affairs* 48 (2), 1975.

²⁴ *Nhan Dan*, 14 January 1977, *Far Eastern Economic Review*, 4 February 1977.

same question—in effect the modern Marxist-Leninist controversy whether industrial workers or peasants should provide the chief ingredient in the Party's revolutionary force and dictatorship of the proletariat. Contemporary Sino-Vietnamese policies point not so much to a consciousness of being saddled with more peasants than Europe, and endowed with lower industrial potential, as to the fact that urban proletarians today are more prone everywhere to think for themselves than they were anywhere in Karl Marx's day.

But Vietnamese peasants themselves are to undergo a new regime as well as townspeople. Like light industry and retail trading, agricultural smallholdings in the liberated provinces are going through the early phases of collectivization, despite Party dissatisfaction with collectivized productivity in the North; again as in China, complaints are often voiced that collectives only meet their targets by recourse to private tillage. A grandiose plan has therefore been advanced to resettle the entire rural population of all Vietnam in order to obliterate existing communities and bring the labour of a whole district, or even province, under a single Party management and make sure that 'maximum resources are allotted to production, maximum economy applied to public welfare'.¹⁵ Indochina has never had a feudal period, liberation may be about to inaugurate a modern serfdom in the service of an oligarchy, in part anonymous.

¹⁵ *Nhan Dan*, 20 June 1976 and 31 January 1977

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the future of European diplomacy

The European Cultural Foundation invites applications for a grant to support a feasibility study for a research project on how European diplomacy should best be adapted to a rapidly changing international environment.

The starting point would be the paradoxical situation of present day diplomacy reflected by such contention as

- while 'traditional diplomacy' is often said to be outdated or even dead the number of diplomats keeps growing,
- the proliferation of non-traditional actors such as international organizations, transnational enterprises as well as new forms of international negotiations do not seem to replace but rather widen the scope of 'traditional diplomacy';
- while a highly interdependent and diversified international system seems to require even more specialists in various fields diplomatic services continue to train 'generalists',
- while international relations are clearly not under control of nation states governments still shoulder the ultimate responsibility for their functioning

Objective

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Notes of the month

A NEW AMERICAN FOREIGN POLICY ?

CHANGES in the control of the White House, especially after eight years' occupancy by the opposition party, usually provoke both speculation about major shifts in US diplomacy and related promises of innovation by the new leadership, although no incoming Administration is free of the legacies of its precursor. In the first months of 1977, the Carter foreign policy approach was somewhat confusing, as the President both expressed a deep desire for strategic arms accords with the Soviet Union and manifested an officious response to human rights violations abroad which led some to wonder just how many countries he wanted to govern. There was little doubt that something of the idealism of Woodrow Wilson had returned to American foreign policy—but would it be accompanied by the righteous arrogance of a John Foster Dulles?

Jimmy Carter's speech at Notre Dame University in Indiana on 22 May 1977 was the first top-level elaboration of the main foreign policy themes of his Administration. Entitled 'America's position in a changing world: a major reappraisal of the principles of US foreign policy', the address was intended to clarify the President's conceptual approach to America's global role. Its tone was optimistic and visionary, but there were assurances that the United States was not embarking on a moralistic crusade for human rights which might lead to the disillusionments and policy errors recently associated with obsessive anti-Communism. Mr Carter promised a new foreign policy consistent with democratic practices and values, intended to 'shape the wider architecture of global co-operation'. Only time can tell how closely the declaratory policies of an Administration are related to its actions; but beneath the rhetorical mantle of the Indiana speech there was something different, if not really new. The President's endorsement of democratic foreign policy methods, humane purposes and moral values (and his rejection of secret deals, policy by manipulation and 'the covert pessimism of some of our recent leaders') can be read both as a reprimand to Henry Kissinger and as an affirmation of the persistence of the Wilsonian tradition of idealism in American foreign policy.

First among the 'cardinal premises' of the new approach was the cause of human rights as a fundamental tenet of US policy. Mr Carter tempered his dedication, however, by stating that he did not intend to conduct

policy by rigid moral maxims. Acknowledging the permanence of the world's imperfection, he said, 'I understand fully the limits of moral suasion. I have no illusion that changes will come easily or soon.' Such assurances were surely welcomed by those who feared that the distinction between a moral and a moralistic foreign policy might too easily be lost. Similarly, the President placed great emphasis on the amelioration of America's relations with the developing countries and—reviving the old theory which pits the haves against the have-nots—warned that 'a peaceful world cannot long exist one-third rich and two-thirds hungry'. He perceived effective aid as 'an excellent alternative to war', but did not specify the dimensions of the American bounty which might be forthcoming. Dusting off another theory of conflict ('competition in arms sales is inimical to peace'), Mr Carter pledged to reduce the volume of weapons transfers, particularly to the poorer countries whose military purchases inhibit their economic development. More ambiguous but no less evident was the President's conviction that world stability requires all-round policy provisions, not those limited to schemes involving only the advanced industrial states. Without suggesting that Nato or other established organizations be scrapped, Mr Carter urged a more comprehensive policy to respond to 'the new reality of a politically awakening world'.

Another basic premise of US policy was not new at all, the effort to improve relations with the Soviet Union and with China. Affirming his belief in détente with the USSR, the President added a qualification not unlike Dr Kissinger's warning that the process should be comprehensive 'We cannot have accommodation in one part of the world,' Mr Carter said, 'and aggravation of conflicts in another.' (Another theory, perhaps—this one a revived 'peace is indivisible'?) It may be noteworthy that the language selected by the President for mention of the Soviet Union was correct and only that, while in his references to China Mr Carter expressed his wish for close co-operation with 'the creative Chinese people' and remarked that the Sino-American relationship is seen as 'a central element of our global policy' since China is 'a key force for global peace'. Such distinctions do not support the view that the Carter foreign policy team has a conceptual aversion to a balance-of-power approach to world politics.

Additional guidelines for American diplomacy included the regular co-operation among the industrial democracies such as was achieved at the London meetings earlier in May (in effect, trilateralism continued) and the hope for broader co-operative attention to the hardy perennial dangers of nuclear war, illiteracy, hunger, disease, poverty and pollution. While no operational details were offered, attention was also to be focused on the crucial Middle Eastern and Southern African questions. Measures would be taken to curtail nuclear proliferation and the 'morally

deplorable' strategic arms race. In conclusion, President Carter proclaimed that the policy he envisaged was 'designed to serve mankind'. Neither the sincerity nor the seriousness of this conviction should be faulted, although its humility might be debatable.

The importance of the 22 May speech is in its statement of long-range intentions rather than its concrete policy proposals (indeed, such an ingredient as a strong commitment to human rights is not a policy at all, but a preference). Since it represents Mr Carter's view of the world and America's role in it after only four months in power, it is bound to change over time. The content reflected much of the thinking of the national security adviser, Mr Zbigniew Brzezinski, who had earlier written that the complexities of contemporary world affairs demand not acrobatics but architecture, and a foreign policy which includes moral concerns and a humanistic outlook.¹

Jimmy Carter is not lacking in the latter; what remains to be seen is whether he can adhere to his preferences as the precepts of his policies are tested in action and by crisis. His hope that all nations will 'rise above narrow national interests' will only be well received if the US example is convincing, and his internationalism may be frustrated by domestic political opposition to its implications in such matters as arms sales, energy conservation and foreign aid allotments.

Finally, while long on ideals but short on detail, the Carter conception contained no systematic analysis of the world structure of power. However, one interpretation of the President's address, that which suggests his rhetoric is in reality no more than a verbal camouflage for the creeping US impotence Henry Kissinger feared, must be rejected outright. Mr Carter has a deep faith in America's strength no less than in her purposes, and it is unlikely that his ideals will suffer from excessive Wilsonianism.

ROBERT MCGEEHAN

TURKEY'S INCONCLUSIVE ELECTION

THE Turkish general election, which was held on 5 June, resulted in substantial gains for Turkey's two biggest political parties—Bulent Ecevit's Republican People's Party (RPP) and Suleyman Demirel's Justice Party (JP)—but left neither of them with an overall majority in Parliament. Another coalition or minority government appeared to be the likely outcome. Those who had hoped that the elections might bring strong and stable government to Turkey seemed to have been disappointed.

This was a depressingly familiar situation in Ankara. The elections followed three and a half years of parliamentary instability and mounting public disorder. No party came near to an absolute majority in the previous elections, held in October 1973. Two shaky coalition governments

¹ See 'The Deceptive Structure of Peace', *Foreign Policy*, Spring 1974, pp. 48, 55.

were formed, but they failed to deal with the critical problems facing the country—high inflation, balance-of-payments deficits and near anarchy in educational establishments, plus serious disagreements with Greece, the USA and the EEC over Cyprus, the Aegean, arms supplies and foreign trade. In the spring of 1977 Demirel's right-of-centre 'Nationalist Front' coalition broke down in the face of open clashes between Demirel and Necmettin Erbakan, a Deputy Prime Minister and leader of the radical-Islamic National Salvation Party (NSP). Rather than continue the seemingly hopeless struggle to co-operate with Erbakan, Demirel decided to put his popularity to the test by calling an early general election.

The campaign was fiercely fought, in both the physical and metaphorical sense. On 26–28 April Ecevit's campaign bus was attacked by members of the pseudo-fascist Nationalist Action Party (NAP) in a series of eastern Anatolian towns. On 1 May the pro-RPP Labour Confederation (Disc) held a rally in Istanbul which was fired on by gunmen supposedly from an ultra-leftist group, and 36 lives were lost in the ensuing pandemonium. Numerous other clashes between violent partisans of both Left and Right were reported. The fact that polling day passed relatively peacefully caused general relief.

Ecevit's election message was a simple one. The Nationalist Front, he claimed, had encouraged the fighting between rival student groups which had brought higher education to a virtual standstill, and its inflationary economic policies had made vast profits for the speculators at public expense. The RPP, he maintained, would restore public order and help the poor by encouraging co-operative enterprises in agriculture and industry. In reply, Demirel charged that an RPP government would open the door to Communism and that its economic policies were unrealistic. He pointed to the JP's governmental experience and its connexion with the ever-popular Adnan Menderes, the Prime Minister of the 1950s, as important potential vote-catchers. Part of his attack was also directed against Erbakan who, he claimed, would ruin the economy with his over-ambitious industrialization plans. For his part, Erbakan attacked both the 'Communist' Ecevit and the 'colourless capitalist' Demirel, relying on an appeal to traditionalist Islamic conservatism and a hawkish foreign policy to rally votes. Of the minor parties, only Alparslan Türkeş's Nationalist Action Party made an effective impact, with its strident nationalism and anti-Communism.

In the early morning of 6 June, when it seemed that the RPP was making big advances, Bülent Ecevit went on to the balcony of the Republican People's Party to tell his jubilant supporters 'the RPP has won 222 seats'—just four short of an overall majority in the 450-member House of Representatives. By the evening of 7 June, when the full unofficial results had come in from distant provinces, it was clear that his

initial optimism had been excessive. The eventual figures were as follows (1973 scores in brackets): Republican People's Party, 213 seats (185); Justice Party, 189 (149); National Salvation Party, 24 (48); Nationalist Action Party, 16 (3); Republican Reliance Party (moderate conservative), 3 (13); Democratic Party (anti-JP conservative), 1 (48); Independents, 4 (6). Two small left-wing groups, the Turkish Worker's and Turkish Unity Parties, failed to win any seats.

The results showed an 8.1 per cent gain in votes by the RPP, probably won from all the other parties and from young voters who had not been able to go to the polls in 1973. There was a 7.1 per cent gain by the Justice Party, mainly won at the expense of the Democratic Party (originally a splinter group of the JP) which was now virtually eliminated. Paradoxically, the Justice Party's gain in seats was greater than that of the RPP—40 as against 27. All the small parties lost seats except the Nationalist Action Party, whose rise to moderate parliamentary strength prompted fears on the left that the fiery ex-Colonel Turkes would wield increased power in the new Parliament.

The gain in strength by both the big parties could be taken as a sign that the voters wanted to call a halt to weak coalition government. In the event, the small parties held on to just enough seats to retain their bargaining power. In particular, the National Salvation Party could, if it stayed united, tip the parliamentary balance in favour of either the JP or the RPP—precisely the situation which led to such instability and indecisiveness in the last Parliament. Granted that the JP now seems to have established a fairly firm alliance with the NAP, Demirel could count on the support of 205 MPs, but no more. To the 213 seats won by his own party Ecevit could add, at the very most, another eight from the Republican Reliance Party, Democratic Party and Independents, making a total of 221. This would be insufficient to carry a vote of confidence, assuming that all the NSP deputies joined the JP and NAP in voting against him. In this situation, it seemed that Erbakan might have been right after the election when he told reporters, pointing to his own desk, 'the Government will be set up right here'. On the other hand, if the NSP split internally (which is regarded as possible), then the relative strength of each group within the party could determine the outcome of the contest between Demirel and Ecevit.

It is hard to predict how this new crisis of government might be resolved. The possibilities can, however, be classified as follows:

Firstly, a Republican People's Party government. This could be established if the RPP could persuade a sufficient number of MPs of other parties to join their ranks, or to stay away from the Assembly when the confidence vote is taken. The former appears to be Mr Ecevit's first option, but there are no clear signs that sufficient MPs would be willing to change parties at such short notice. In the latter case, the RPP Govern-

ment might receive a vote of confidence but would have to cope with constant pressure from other parties, especially the NSP, when any legislation were put to the vote.

Secondly, a coalition between the RPP and NSP. Assuming that the NSP did not split on this issue, such a coalition should command a clear majority in the House of Representatives (237 seats to 213). Erbakan has given no clear indication that he would reject a coalition offer from Ecevit, provided the terms were right. But they would almost certainly involve giving Erbakan and his party a number of important Cabinet positions, and past experience shows that the NSP leader can be a very difficult government partner. Although strict secularism does not appear to occupy quite such an important place in the RPP's platform as it once did, there is still a wide ideological gap between Ecevit's party and the Islamicists of the NSP. On foreign policy, Ecevit appears anxious to reach an agreement with Greece regarding Cyprus and other problems but would probably have great difficulty in inducing Erbakan to support him in this, granted that the latter has advocated instant UDI by the Turkish Cypriots and has opposed any territorial concessions to the Greeks.

Thirdly, a reconstructed 'Nationalist Front' coalition, under Demirel's leadership, embracing the JP, NAP and NSP. Again, this combination should have a clear majority in the House of Representatives (229 seats to 221). In calling for all 'nationalist' (i.e. anti-Ecevit) forces to unite, Demirel shows outward signs of wanting to reconstruct this coalition. But such an outcome would not be a very happy one, either for Demirel or for those who want to see a stable government established. It was precisely to avoid the need to co-operate with Erbakan that Demirel decided to call early elections. On past form, the NSP would almost certainly prove as troublesome a coalition partner for Demirel as for Ecevit. Erbakan would probably demand control of certain important economic ministries and this would hamstring any co-ordinated attempt by Demirel to deal with Turkey's pressing economic problems. Such a combination would also face difficulties in the Senate, 50 of whose 184 members were re-elected as part of the general elections. On the reasonable assumption that a majority of the 34 non-elected Senators would probably oppose a new 'Nationalist Front', it would not have a majority in the Upper House. The Senate could delay the enactment of new legislation—a tiresome, though not fatal difficulty for Demirel. Opposition forces would also probably command a majority in a plenary session of both Houses, and if Demirel were Prime Minister such a session could initiate proceedings against him in connexion with alleged shady business deals by his close relations.

At the risk of further complicating an already perplexing picture, it should also be said that each of these possibilities may not be mutually

exclusive. For example, if an RPP-NSP coalition were formed, it might later fail, leaving Erbakan to switch his support to Demirel and thus allow the reconstruction of the 'Nationalist Front'. Alternatively, such a coalition might turn into an RPP majority government if, in the medium term, sufficient MPs transferred to the RPP from the NSP or other parties. Finally, if Erbakan's party voted solidly against both Demirel and Ecevit, then Turkey could see a series of fatally weak caretaker administrations with insufficient parliamentary support. Either way, the Turkish political scene may well be a troubled one for some time to come.*

WILLIAM HALE

* *Postscript*: On 21 June it was announced that President Koruturk had accepted the Government list submitted to him by Mr Ecevit. But Mr Demirel, Mr Erbakan and Mr Turkes stated that they would deny Mr Ecevit a vote of confidence in Parliament.

HOLLAND: POLARIZATION OF POLITICAL FORCES

THE election in the Netherlands on 25 May was to a large extent overshadowed by the activities of the group of South Moluccan terrorists whose holding of hostages in two separate sieges effectively ended active campaigning for the last few days before polling. The election results, however, revealed major changes in the fortunes of a number of Dutch political parties and may herald an important shift in the traditional pattern of politics which could bring the Netherlands into line with most other West European political systems.

Dutch politics is by tradition complex. The electoral system of 'pure proportional representation' based on a national list accurately reflects small percentage gains or losses and allows all but the smallest political groups to achieve some representation in the Dutch Lower House. Elections are usually contested by in excess of 20 parties and Parliament normally comprises a dozen or more separate political groups, although some of these have no more than one or two seats. None the less, it is a multi-party system par excellence.

From the end of the Second World War until 1971, Dutch politics was remarkably stable and largely centred around the activities of five main political parties: the PvdA (Labour Party), KVP (Catholic People's Party), VVD (Liberal Party) and the two Protestant parties, ARP (Anti-Revolutionary Party) and CHU (Christian Historical Union), representing the Orthodox and Reformist wings of Calvinism respectively. Government coalitions were always a combination of those groups. The early 1970s, however, saw the appearance of a number of smaller political parties which questioned the rigidity of the existing system. Two of these fared well in the elections of 1971 and 1972: the Democratic Socialists (DS '70), a right-wing Labour party, gained six seats in 1972, while the

PPR (Radicals), a reformist Catholic group which wished to see an end to confessionalism, obtained seven seats at its first attempt at an electoral contest. More important than these gains was the catastrophic decline in the early 1970s of the support for the three major confessional parties, in particular that for the KVP.

Until the autumn of 1976, the Dutch Confessional Parties had resisted demands from some groups to form a Christian Democratic Party and had contested elections as separate groupings. Although in 1972 the one Catholic and two Protestant parties sought some form of electoral agreement, this alliance was a loose one and considerable policy differences persisted between the partners. For most of the post-war period, the KVP was the largest party in the Netherlands and participated in all governments. From the middle 1960s onwards, however, its support began to decline and in 1972 it achieved only 17·7 per cent of the vote, this figure representing a massive loss from its post-war average of 30 per cent. The success of the Radicals only served to pose a further threat to the once powerful position of the KVP. At the same time, the Dutch Labour Party's position remained fairly stable—it emerged as the largest political party in the 1971 and 1972 parliaments and provided the Prime Minister, Mr Joop Den Uyl.

The post-1972 five-party coalition led by Mr Den Uyl, comprising the PvdA, KVP, PPR, Democrats '66 and ARP, was for the most part a stable government, which successfully coped with considerable economic difficulties arising from the general world recession and the Arab oil embargo of the Netherlands. At the end of 1976, however, the confessional parties, faced with the strong possibility of a further decline in their support, felt the pressure to unite and formed a new Christian Democratic Appeal (CDA) led by Mr Andries van Agt, the Deputy Prime Minister and Minister of Justice. Opinion polls in early 1977 showed that the new CDA was popular and suggested that an early election could result in its becoming the largest party. Encouraged by these findings and also in order to demonstrate its new independence, the CDA group withdrew from the Government on 22 March, ostensibly over the Land Compensation Bill. The issue simply provided a suitable occasion for such a withdrawal, for a number of more contentious issues on government direction of investment policy and distribution of surplus profits had recently been solved by compromise. The move won added publicity for the CDA in the impending election campaign, which was a test both of the ability of the new alliance to hold its traditional supporters and of the capabilities of the PvdA to resist such an unprecedented challenge in Dutch electoral history.

The election itself resulted in a major shift, in Dutch political terms, towards a polarization of political forces and a consequent decline in the smaller political parties. A record turnout of 87·5 per cent was registered

Of the Government Coalition parties, the CDA managed to prevent a further decline in support for the confessional parties, but largely failed to make the expected advance suggested by the opinion polls. Indeed, it registered a gain of only one seat. The combined CDA vote showed minor changes compared to the performance of the three separate confessional parties in 1972, although its results were slightly better in the strongly Protestant northerly provinces of Friesland and Gronigen than in the Catholic areas of North Brabant and Limburg in the south of the country.

The largest gains by any political party since 1945 were achieved by the PvdA, whose 6 per cent increase in votes gave it an extra 10 seats in Parliament. Its improved performance was consistent throughout the country where it consolidated its position in the provinces of North and South Holland as well as making large gains in the south. Its traditional city base was once again demonstrated when it won 55 per cent and 44 per cent of the votes in Rotterdam and Amsterdam respectively. The major opposition party since 1971, the Liberal Party, also made significant gains and is now firmly planted in the centre-right of Dutch politics. Of as much significance as the success of the Labour Party was the catastrophic decline in support for the smaller parties. Apart from the reformist D '66, ironically established as a temporary catalyst of political change in 1966, all the small groups fared badly. The left-wing Catholic PPR was reduced to under 2 per cent and clearly suffered from the formation of the CDA, for its supporters switched to that new grouping or to its ally the PvdA. The DS '70 group was reduced to only one seat, and the Communist Party to two, its worst performance in recent times.

In a political system, where changes in party fortunes of two or three seats are regarded as major events, the above results can only be described as spectacular. Significantly, the percentage vote gained by the three major parties was 83 per cent compared with only 72 per cent in 1972. This development has halted the trend towards fragmentation apparent in the late 1960s and early 1970s, and is an indication that Holland may be taking the first steps towards a more normal European pattern of division amongst Social Democrats, Christian Democrats and Liberals. It remains to be seen if the trend is to be consolidated and, in particular, if the CDA is to remain as a permanent Christian Democratic party.

All observers in the Netherlands agree that a new Government led by Mr Den Uyl in partnership with the CDA will eventually emerge. Whether or not other parties will participate is a matter of speculation as is the policy programme that the new Government will follow. There is no doubt that negotiations will be protracted though perhaps they will not exceed the 164-day record set in 1972/73.

Election Results, May 1977

<i>Party</i>	<i>Per cent</i>	<i>Seats</i>
PvdA (Labour)	33·8 (27·3)	53 (43)
CDA (Christian Democrats)	31·9 (31·2)	49 (48)
VVD (Liberals)	17·9 (14·4)	28 (22)
PPR (Radicals)	1·7 (4·8)	3 (7)
Communists	1·7 (4·4)	2 (7)
D '66	5·4 (4·1)	8 (6)
DS '70	0·7 (4·1)	1 (6)
State Reform	2·1 (2·2)	3 (3)
Farmers	0·8 (1·9)	1 (3)
Others	2·3 (3·7)	3 (4)

1972 results in brackets.

MICHAEL WHEATON

The Commonwealth's Jubilee summit

PETER LYON

For all its festive setting, and the problem of Amin's Uganda, this meeting was a sober, low-key affair.

It is impossible to step into exactly the same Commonwealth twice. Increasing membership, different leaders, sometimes different venues and certainly different conjunctures of events and issues ensure that every meeting has some unique features, some novel aspects. An obvious point to ask of this year's Commonwealth Heads of State and Government Conference in London in June is what had happened since their last similar meeting, at Kingston, Jamaica, in 1975, to invest the proceedings with new perspective and purpose.

It was clear from advance publicity, from the Secretary-General's report released just beforehand, and even from the cautious speculations of diplomats, that the Commonwealth Heads of Government Meeting in 1977 (conveniently if inelegantly abbreviated into officialese as CHOGM/77) would be prominently concerned with Southern Africa and with world economic structures and arrangements. And so it transpired, though questions of human rights (and especially the denial and abuse of these in Uganda and in Southern Africa), non-alignment, Cyprus, Belize and the Indian Ocean, to mention only some special issues, received considerable attention and articulation from some delegations, and featured in the final communiqué. President Amin's absence and

Dr Lyon is Reader in International Relations and Secretary of the Institute of Commonwealth Studies in the University of London. He is also a member of the Central Council of the Royal Commonwealth Society.

uncertainty as to whether he would or would not come imparted an air of pseudo-pantomime to the atmosphere, greater even than had been true of the speculations regarding his attendance which had preceded the opening of the Ottawa and Kingston summits. It is ironical to recall that Amin installed himself in power in Kampala in January 1971, taking advantage then of Milton Obote's absence abroad to attend the Singapore Commonwealth Conference.

The Queen ensured that the Commonwealth dimension of her Silver Jubilee was no mere token or unwelcome legacy of Harold Wilson's lobbying in Kingston in 1975 by her own clearly expressed interest and convictions concerning Commonwealth activities. In her speech to the British nation and the Commonwealth on her Jubilee Day (7 June), Her Majesty expressed simply and forcefully what was undoubtedly her own heartfelt conviction and commitment to the Commonwealth as a special family of nations linked together by consent for constructive mutual purposes. During the conference many participants paid tribute to the Queen and expressed pleasure at the pageantry and festivities of her Jubilee celebrations.

This was the first Commonwealth conference held in London since 1969 and, as the Secretary-General said at his press conference on the opening day, it was the largest ever Commonwealth meeting, with over 400 accredited delegates, among them more than 80 of ministerial rank. Of the 35 full member countries, 33 took part (Uganda and the Seychelles being absent), 26 were represented by their Heads of Government (16 of them newcomers), four by Vice-Presidents, Deputy Prime Ministers or their equivalent, and three by Foreign or Finance Ministers. Lee Kuan Yew of Singapore, continuously Prime Minister of his country since 1959 and present at every Commonwealth meeting since his country became independent in 1965, was one of the veterans at this gathering, as were President Archbishop Makarios of Cyprus and Dr Kaunda of Zambia. Like Lee Kuan Yew, Pierre Trudeau of Canada and Michael Manley of Jamaica had the extra experience of having acted as hosts at previous conferences. President Ziaur Rahman of Bangladesh, Michael Fraser of Australia, Michael Somares of Papua New Guinea and Datuk Hussein Onn of Malaysia were each attending their first CHOGM as leaders of their country—as was Morarji Desai of India, even though he was, of course, well versed in the ways of the Commonwealth from his long earlier career as a Cabinet Minister. Among the most notable absentees, other than Idi Amin, were Jomo Kenyatta of Kenya, Julius Nyerere of Tanzania and Mrs Bandaranaike of Sri Lanka.

One question of credentials and representation obtruded early. Taking advantage of the absence of President Mancham in London for the conference, a coup against him was mounted on 5 June in the Seychelles, the most recent and one of the smallest of Commonwealth members. The

head of the newly installed Government of the Seychelles, Mr René, wrote to the Secretary-General expressing the wish that the Seychelles be represented by their country's High Commissioner in London, Mr Georges Rassool, while saying that ex-President Mancham had no status. Eventually, in a letter to *The Times* on 8 June, Mr Rassool stated that he did not wish to represent the new régime, and so the Seychelles remained unrepresented at what would have been their first Commonwealth conference.

Organization

The sheer size of such a meeting nowadays and the assiduity of the Secretariat ensure that there shall be no shortage of briefing documents before the delegations. As background reading and the basic Secretariat paper for the meeting all participants were presented with Mr Ramphal's *Report of the Commonwealth Secretary-General, 1977*, covering the period April 1975 to April 1977. It was intended, he said, to help to explain what the Commonwealth now is. Also prepared and presented for this conference was a booklet entitled *Commonwealth Skills for Commonwealth Needs*. This was drawn up by the staff of the Commonwealth Fund for Technical Co-operation (CFTC), a creation of CHOGM/71, and was commended to the press by Mr Ramphal as 'presenting the reality of Commonwealth co-operation in aid of development'—a theme the Secretary-General himself has shown a keen interest in, not only since he came to the Commonwealth Secretariat at Marlborough House but even before as Guyana's Foreign Minister—and as 'a guide to some of what the Commonwealth now does'.

Perhaps the most important and intellectually taxing piece of background reading provided for the participants was the third and final report of the Commonwealth Experts' Group, set up at the Kingston Conference in 1975 and chaired by Alister McIntyre, Secretary-General of the Caribbean Community. This third report, like its two predecessors, was entitled *Towards a New International Economic Order* and was a basis and source of reference for much of the discussion on economic issues at the conference sessions at Lancaster House. The arrangements for the conference were in the hands of the staff of the Commonwealth Secretariat acting in conjunction with the British Government as host, with Mr Callaghan as conference Chairman. After discreet inquiries and careful soundings of views, the Secretariat had also prepared various paragraphs for a possible final draft communiqué.

The formal business of the conference proceeded on two levels: (1) the Executive Session restricted to each member's Head of Delegation and two others, and (2) the Committee of the Whole, which is virtually a body preoccupied with the task of drafting an acceptable final communiqué based on each preceding Executive Session—employing, if necessary, the

arts of deft summary, genial generality, elegant elision, discreet omission or ambiguous suggestiveness. Procedurally, the device of insisting that each delegation has only three seats at each Executive Session has ensured that the Commonwealth does not by the sheer momentum of new memberships merely become increasingly like 'a mini-UN', as Edward Heath said somewhat sourly at Singapore in 1971. It has thus sought to avoid gratuitously playing to a gallery and to the audience back home.

The insistence on restricted participation and on confidentiality at the actual Executive Session does not, however, inhibit many delegations from releasing full texts of their spokesmen's speeches shortly afterwards, and these texts and the elaboration of points in them at press conferences or in private conversation enable the interested inquirer to reconstruct much of what went on. Sometimes similar speeches to those delivered in Executive Session are soon re-expounded in public or semi-private fora such as television studios, the Royal Commonwealth Society or the Commonwealth Press Union. It should be remembered, however, that there were eleven sessions occupying five and a half fairly full days of discussions, between 8 and 15 June, with the intervening weekend being spent by most of the heads of delegation at Gleneagles hotel in Perthshire, Scotland, as guests of the British Government. Any brief account and evaluation of such intensive and extensive discussions, especially by an outsider, must therefore necessarily be highly selective. It was in Scotland, of course, besides transacting other informal business, that a formula was worked out to try to ensure that the next Commonwealth Games, scheduled to take place in Edmonton, Alberta, in 1978, can proceed on terms satisfactory to African members, New Zealand and other would-be participants alike.

Speeches and discussions

In his opening address of welcome Mr Callaghan said that he wished to remind himself and his colleagues of what was included in the Declaration of Commonwealth Principles in 1971: 'The Commonwealth of Nations is a voluntary association of independent sovereign states, each responsible for its own policies, consulting and co-operating in the common interests of their peoples and in the promotion of international understanding and world peace.' It was, however, the Commonwealth Secretary-General, Mr Ramphal, making his first speech of welcome at a Commonwealth summit with characteristic eloquence, who, in the course of renewing and reaffirming the Secretariat's commitment to be deserving of trust, placed the proceedings in a clear perspective by saying that each meeting is 'a continuum and a beginning'. He recalled and re-endorsed Jawaharlal Nehru's claim that the Commonwealth can 'bring a touch of healing' to a troubled world, and advised all to eschew 'false conceptions of Commonwealth capabilities'. He affirmed that the Common-

wealth's service to the world community was particularly important:

The Commonwealth is not a pot-pourri of preferential relationships nurturing an inward-looking philosophy; it is an amalgam of vision and practicality set in a mould of global awareness. Commonwealth relationships reinforce, they do not dilute, the internationalism of member states.

He deftly illustrated this point by reminding his co-participants that Sri Lanka was currently the convenor and Chairman of the Non-Aligned Movement; that Mauritius presided over the Organization of African Unity (OAU); that Britain chaired the Council of Ministers of the European Community; that Fiji had been chairing a recent summit meeting of the Lomé group of states (ACPs); and that Canada had been Co-Chairman of the Conference of International Economic Co-operation (CIEC), more popularly known as the 'North-South dialogue'. His emphasis was thus on the global concerns of an active Commonwealth membership.

As is now customary, several of the opening sessions were devoted to broad surveys of current world trends. Lee Kuan Yew opened the discussion, under the rubric of 'Changing Power Relations', with a boldly etched, clear analysis of the comparative strengths and weaknesses of the super-powers, offering his assessment of President Carter's America, President Brezhnev's Russia and the China of Chairman Hua Kuo-feng. His point that the Communist and the competitive non-Communist systems were engaged in a prolonged test of stamina and will elicited much subsequent comment and some criticism, not least from Mr Wills of Guyana who stressed the importance and distinctiveness of non-alignment.

The two issues which had chiefly preoccupied the Kingston Conference in 1975—Southern Africa and the economic problems of the poor countries—were much discussed again, though it was apparent that little in the way of practical progress had been made or was immediately in prospect. It was arguable even that some ground held earlier had been lost.

In the process of ending white minority rule throughout Southern Africa, three at least partly interrelated pieces of necessary political change are at issue: changing South-West Africa into Namibia, Rhodesia into Zimbabwe and the Republic of South Africa into Azania. At Kingston, Rhodesia's African leaders presented an apparently agreed patriotic front. This time they were in open disagreement and excluded from any participation in the conference. An agreed proto-government for Zimbabwe was thus even less visible than earlier, and this fact was partly reflected and echoed in the discussion about the alternative strategies of negotiations or armed struggle. The British put great stress on negotiations and the hope of exercising decisive leverage on Mr Ian Smith with the help of the United States and by using the newly formed Anglo-

American Consultative Group to explore ways and means together. There was, however, much more resigned acceptance than at Kingston on the part of many delegations of the prospect of increased armed conflict throughout Southern Africa, and some insistence that negotiations and armed struggle should be seen and used as complements, not as alternatives.

Of the extensive discussion on economic matters the contributions of Mr Trudeau, Mr Manley and Datuk Hussein Onn were mentioned afterwards by several delegates as having been sophisticated as well as action-orientated—qualities which do not always go together. Even so, there was no mistaking the fact that there had been a fading of the hopes confidently voiced by some at Kingston that the Commonwealth could give a lead in world economic re-structuring and in evolving new positive programmes. The meagre results of the UNCTAD meeting in Nairobi in 1976 and the various CIEC meetings in Paris (and, indeed, of several other somewhat overlapping conferences, including the Downing Street economic summit in May 1977) which had intervened since Kingston had dampened some expectations and all easy optimism. So once again the conference engaged in the familiar routines of receiving reports and making long speeches and recommendations. Some observers, in effect, confessed feeling tempted to adapt one of the phrases of the Prime Minister of New Zealand, Mr Muldoon, and say that 'action was in danger of paralysis if not by too much analysis then by too much attitudinizing'.

The communiqué

No final communiqué is entirely and accurately a distillation of the preceding discussions. This is not to say that such documents are unimportant or mere declaratory rhetoric. Indeed, the now customary practice of issuing a rather comprehensive final communiqué at the end of each conference involves rather more than the production of a document recording the highest possible agreement on common platitudes, as some unkind critics have said. The final communiqué is intended, *inter alia*, to indicate the range and nature of the preceding discussions without specific attributions or identifying particular contributions. It endeavours above all, to be action-orientated, which is to say that an attempt is made to point to future courses of action based on a general consensus as to what is right and practicable, though without pretending to commit particular countries precisely to specific policies. It is comprehensive in the sense that its subject-matter ranges over the whole of Commonwealth activities as well as some matters of more limited scope, even if some of the latter were treated very perfunctorily during the actual business of the preceding conference. This is because the communiqué serves in effect both as a publicly available summary of the conference and as a general

working brief for the members of the Secretariat for the next two years.

This year's communiqué is a document consisting of more than 6,000 words in 70 paragraphs¹ so that it is only possible to indicate its character and the main or most interesting points here. After four paragraphs of preamble and merely three (paras. 5-7) of general statements about changes in traditional concepts of power and respect for human rights in the widest sense, there follow 20 paragraphs on the subject of Southern Africa. In an important sense this part of the communiqué marked a real change of emphasis from 1975 because not Rhodesia but South Africa is now put as the central problem of Southern Africa, and consequently the terms of reference of the Rhodesian Sanctions Committee are changed too. While welcoming the stronger language on Southern Africa, a number of African delegates commented privately, with just a touch of cynicism, that it was only now, with Cubans actively present on the continent, with a much more extensive and visible Soviet (and to a much lesser extent Chinese) presence in Africa than, say, ten years ago, and with a heightened awareness of the importance of Africa's raw materials, that 'the West' has begun to take Southern Africa more seriously as an issue urgently requiring the supersession of the white man's minority rule.

Then followed one crisp paragraph each on Cyprus, the Middle East, Belize, the Indian Ocean, the Law of the Sea and regionalism (paras 28-33) respectively, though their relative brevity should not mislead the reader into believing that they were produced rapidly and easily, particularly not those on Cyprus and Belize.

The following two paragraphs (34-35) on Human Rights contained also the much discussed and controversial reference to Uganda, about which the communiqué said:

Cognizant of the accumulated evidence of sustained disregard for the sanctity of life and of massive violation of basic human rights in Uganda, it was the overwhelming view of the Commonwealth leaders that these excesses were so gross as to warrant the world's concern and to evoke condemnation by Heads of Government in strong and unequivocal terms.

These words—undoubtedly the most unqualified condemnation of any Commonwealth country by others—got into the communiqué only after considerable debate. Nigeria, in particular, argued for a much more general and less forthright declaration. Brigadier Yar'Adua, the Nigerian leader, said that he would have preferred that Amin—who was not explicitly named in the communiqué partly to assuage Nigerian objections—had been present to answer charges against him. However,

¹ Apparently 71, but because of a typing error—detected at a very late stage—paragraph 54 was repeated and yet numbered as a consecutive paragraph and had to be excised when it was too late to renumber the last 16.

Nigeria did not dissent from the general condemnation of gross violation of human rights in Uganda, and certainly supported the rest of paragraph 35, which said also that the people of Uganda were 'within the fraternity of Commonwealth fellowship' and looked forward to the day when they would 'once more fully enjoy their basic human rights which were being so cruelly denied'.

Then, reflecting the considerable attention devoted to this subject in the conference, there was a long section (paras. 36-63) on economic matters which mostly employed fashionable generalities and acknowledged the importance of all the main demands of the developing countries. For those who had read the speeches issued publicly after the Executive Sessions, these sections carried a number of echoes from Michael Manley, Datuk Hussein Onn and others. Otherwise, this lengthy part of the communiqué limited itself mostly to statements of good intention. The main practical step was to set up a small technical working group to advise on the establishment of a common fund to stabilize commodity prices (paragraph 41) 'with a view to facilitating greater progress at the UNCTAD Conference in November'. The McIntyre report was given qualified approval (paras. 39 and 42).

Finally, there were brief sections, in turn about CFTC, non-governmental organizations, the Commonwealth Foundation, the Commonwealth Youth Programme, Women and Development, Education about the Commonwealth (without mentioning the fact that Australia is going to give \$A 20,000 p a for each of the next three years to the Secretariat for its information activities); the Secretary-General's report was commended and an invitation accepted for the next Commonwealth conference to be held in Lusaka in 1979. A *Commonwealth statement on apartheid in sport* was appended to the communiqué.

Impact and consequences

What do these discussions, documents and declarations mean? Will they lead to concerted action, to immediate, substantial and beneficial changes in the world at large? Probably not, in any direct and immediately dramatic sense, for the Commonwealth in plenary session, even at its summit, is a deliberative, not a decision-taking forum. This is not to say that its proceedings and resolutions are entirely without impact and influence on its participants or on others. It is merely to recognize that discussions are not decisions and that influence is a diffuse and rather volatile factor.

The question is often asked, 'What exactly is the Commonwealth nowadays?' This is not easy to answer satisfactorily in a coherent and convincing way. If someone said, 'Study the Commonwealth at work at a CHOGM and then you will know,' this writer would reply that no such scrutiny could provide full and unambiguous answers. Yet undoubtedly

the Commonwealth exists. It would not be difficult to assemble a sizeable anthology of statements which attempt succinct definitions, or even to gather a fair number of books which endeavour to provide fuller accounts of the Commonwealth whilst admitting its imperfections. Speaking at Chatham House the day after the conference ended, Robert Muldoon, New Zealand's Prime Minister, recalled, in order to endorse, the matter-of-fact commendation of Dr Goh Keng Swee of Singapore, voiced at a Commonwealth Finance Ministers' conference many years ago—'We are better off in than out.'

The French elections in 1978: background and outlook

GEORGE A. MAGNUS

FOR many observers of French politics, the outcome of the municipal elections last March has confirmed the view that the parties of the Left (Socialists, Communists and Radical Left) may be able to win a majority of seats in next year's parliamentary elections. Over the last three to four years, popular support for the Left has been on a rising trend again, after the setbacks following 'les événements' of 1968. In the 1973 parliamentary elections, the Socialists' and Communists' share of the vote was 46·7 per cent, a figure which rose to 49 per cent in the 1974 presidential election, over 50 per cent in the 1976 departmental elections, and 52·5 per cent in the municipal elections. Some commentators have focused on a historical parallel with the mid-1930s, when the Left's successes in departmental and municipal elections, in 1934 and 1935 respectively, were followed by the formation of the Popular Front Government in 1936. The Front collapsed after 15 months, primarily because it was unable to maintain and command the support of its more radical elements, notably the Communists. In recent years, the swing to the Left can be seen largely as a backlash to about 30 years of conservatism in post-war French government. However, it is the rivalry and tension within the Union of the Left that renders its viability suspect. Furthermore, it is perhaps only the greater in-fighting among the parties of the Right¹ which has permitted the leftward swing to proceed unchecked.

President Giscard d'Estaing and his Prime Minister, M. Barre, are now under great pressure to use the coming months to achieve three

¹ Throughout this article, 'the Right' refers to the majority parties including mainly the Independent Republicans, the Gaullist RPR and the Social-Democratic Centre

The author is a monetary economist with the Bank of America in London specializing in Western Europe. The views expressed in the article are his alone.

major objectives: some *modus vivendi* must be reached with the other majority parties, notably the *Rassemblement pour la République* (RPR), led by M. Chirac; further progress must be made on the economic front, especially as regards the stubbornly high rates of unemployment and inflation; and the rifts within the Left must be exposed and capitalized upon. If such a strategy were to fail, the Left could obtain an overall majority of seats—or at least a substantial number—and secure an important, if not dominant, role in the next Government. Bearing in mind that it was the Right that was the catalyst in the fall of the Fourth Republic and in the post-1968 period, the coming elections may be seen as a watershed in French politics and for the Fifth Republic. This article attempts to shed some light on three issues, which are fundamental to the outcome of those elections: first, the unity of the Left with regard to its Common Programme; second, the differences between the President and his supporters and the Gaullists, which have suspected him of flirting with the Socialists; and, third, the evolution of the economy.

Unity of the Left ?

The cohesion of the Socialists and Communists was founded on the development of the Common Programme in mid-1972.³ Basic differences between the two parties, however, began to show after M. Mitterand's strong performance, as the Socialist candidate, in the 1974 presidential election. His party's popularity increased further in the by-elections for the Assembly in the autumn of that year, when the Communist Party's support for Socialist candidates was not reciprocated even for the one Communist candidate, who reached a second ballot. The Communists began to suspect the Socialists' dominance of the Left which, they feared, would result in 'centrism' and a dilution of the Common Programme. They felt aggrieved also when, at the end of 1974, President Giscard invited M. Mitterand for consultations prior to his meeting with the Soviet leader, Mr Brezhnev (even though the Socialist Party's executive later rejected the invitation). Underlying these causes of friction was the Socialists' strategy to broaden their electoral appeal. At the Vienna meeting of the Socialist International in 1972, M. Mitterand had proclaimed that the Socialists should become the dominant left-wing party by attempting to win over some two million of the Communists' five million regular supporters. To this end, the Socialist Party Congress in 1975 admitted to full membership a faction of the *Parti Socialiste Unifié* (PSU) and affiliated members of the independent Socialist CFDT union. Since the new members did not follow Communist orthodoxy, for example, by their belief in workers' control (*autogestion*), the Communist

³ For background, see Dorothy Pickles, 'The French elections', *The World Today*, April 1973, and Byron Criddle, 'The French presidential election', *ibid.*, June 1974.

Party took the view that its allies had shifted to the right and that it should begin to develop more autonomously, as the Socialists seemed more concerned with enlargement than with radical political opposition.

Recently, the relations between Socialists and Communists have been strained by two important issues. nationalization, which is both the cornerstone and the most vulnerable element in the Common Programme, and economic policy. The Programme, laboriously negotiated between 1969 and 1972, provides the framework for the nationalization of nine major companies (Dassault, Roussel-Uclaf, Rhône-Poulenc, I.T.T.-France, Thomson-Brandt, Honeywell-Bull, Pechiney-Ugine-Kuhlmann, Saint-Gobain-Pont-à-Mousson, and Compagnie Générale d'Electricité). Towards the end of 1976, the Communists added, unilaterally, the steel and oil sectors, Chrysler France and Peugeot-Citroen, and the still private parts of the financial sector. The full implementation of such a programme would bring under state control broadly 25 per cent of the labour force, 50 per cent of industrial investment, 45 per cent of the foreign turnover of French companies and about 70-80 per cent of research and development expenditure. The Socialists have expressed opposition to this extension of nationalization beyond the Common Programme, believing firmly in the continued existence of the market economy. They also differ from the Communists on the indemnification of large shareholders, and on the treatment of the holdings of powerful industrial families. As regards the former, the Communists want shares converted into non-voting bonds, redeemable over 20 years at the (low) price based on Bourse performance in the three years prior to nationalization, while the Socialists want the bonds traded freely only. On the latter point, the Communists want to take over families' dossiers and examine their activities as regards public funds received, funds transferred abroad and other actions 'against the national interest'. In April 1977, the Communist request for a meeting of the leaders of the Left, the first in a year, received a wary response from the Socialists. M. Mitterand, may have wanted to give the impression that he is exerting control from the centre; and he is certainly opposed to his allies' desire to update the Common Programme. The Socialists are now believed to want to remove the confiscation provisions from the nationalization plan, this would throw wide open the rift between the two parties over the entire issue. Moreover, it is rumoured that some committees at the top of the Socialist Party's hierarchy have been working on proposals to refine and adjust the Common Programme's social and labour provisions—a process in which the Communists are not involved.

Economic policy causes further disagreement, most noticeable in the parties' responses to the Barre Plan, announced in September 1976. The Socialists decided to treat the Plan on its merits and generally have not expressed outright opposition. The Communist response comprised a

call for one-day strikes and demands for guaranteed increases in workers' real wages, higher welfare benefits and public employment, lower taxes and working hours, and a ban on dismissals. This approach did not assist the Communists in the seven parliamentary by-elections in November 1976, in which the Socialists were the prime left-wing beneficiary.

More recently, in May, the Socialists were embarrassed when the Communists issued details of the economic plan, which they are proposing to implement if elected. The plan would increase workers' pay by about 40 per cent by 1980, boosting the national wage bill by 340,000 m. francs, which would be raised from industry and higher taxes. A Socialist party spokesman, M. Claude Estier, dismissed the figures as 'incomprehensible'.

The recovery of Communist fortunes in the 1977 municipal elections was perhaps mainly due to the Socialists. After the departmental elections the year before, in which the Left made net gains of 269 seats, the parties decided to establish a joint strategy for lists of candidates and voting in the municipal elections. As a result the Communists gained control over 72 major towns, for, wherever a Socialist candidate stood down in the second ballot, there was substantial switching of Socialist votes to Communist candidates. Overall, the Left was able to consolidate the vote behind a single candidate, irrespective of the latter's affiliation in the Left; it ousted mayors supporting the Government in 55 large towns and managed to win 45 per cent of the vote in Paris (52·5 per cent in the country). The Communists' decision, at their 22nd Congress in February 1976, to discard much of their old dogma and adopt a more independent and nationalistic image seems to have paid off to some extent. Furthermore, campaigning was carried out largely on national, not local, issues and the results showed the persistent popularity of the Left.

However, three important factors would now seem to raise obstacles to continued success in 1978:

- (i) The two parties will have to obtain about 55–56 per cent of the vote to win an overall majority of seats, largely due to some deft electoral district juggling by the Gaullists in the past; previous electoral performance at the national parliamentary level suggests that this would be a herculean task;
- (ii) The unity of the Left is endangered by mutual suspicions about fundamental elements of the Common Programme and, above all, by the Communists' fear of dominance by the Socialists at their own expense; and
- (iii) Despite the short-lived strikes after the Barre Plan announcement, industrial relations improved before the 1977 municipal elections. Since then, labour unrest has increased, the major unions having gained confidence from the result of the vote. The motor and construction industries, the docks and the public sector have been

affected, and the steel industry is currently threatened. A further worsening in industrial relations would be of direct advantage to the Right.

The President and the Gaullists

The Right comprises diverse right-wing, centre and centre-left parties, whose major characteristic is their mutual hostility. The most important problem is the rift between the Gaullists in the RPR and the President and his supporters. The former have argued that Giscard played a disruptive role during the de Gaulle era, finally advising a 'No' vote in the 1969 referendum on regional reform that provoked the General's departure from office.^a Further, they resent the steady abandonment of Gaullist policies on defence and foreign policy and the President's programme of liberal reform, which they see as opening the door to Socialism in France. The support of the Gaullists for the President after the latter's election, was probably prompted by their desire to ensure a continuing influence in politics after the defeat of their candidate, M. Chaban-Delmas, and, simultaneously, to thwart the Left's attempts to fill the political vacuum. The major influence behind the Gaullists has been M. Jacques Chirac, who was elected the party's Secretary-General after the death of President Pompidou in March 1974. Chirac quickly established his authority over the party, whose paid-up membership had been almost halved between 1973 and the end of 1974, at which time he was appointed Prime Minister.

Chirac's political role assumed a new direction when, after the poor results in the departmental elections in 1976, he was appointed chief coordinator of all the ruling coalition parties. In attempting to win over the Gaullists in the coalition by elevating M. Chirac, President Giscard was forced to downgrade the position of his close collaborator M. Michel Poniatowski, the effective leader of the Independent Republicans, and of M. Jean Lecanuet, the Centrist Leader. Giscard's motives were probably twofold: to restore morale in the coalition after the elections; and to end speculation that a crisis was developing between himself and the Prime Minister and that the latter would be replaced by a Centrist. Giscard gambled that he would not lose the support of the Centre by promoting Chirac and that it was better to have the Gaullists with him than against him. As to Chirac, he was now faced with the difficult choice between loyalty to the President or to his party. On one of the most contentious issues, the capital gains tax, Chirac adopted a very low profile whilst the Gaullists mounted a strong attack on it. In the end, Giscard persuaded Chirac to play a more prominent role, which the latter did, but only to help enact a Bill, which bore little resemblance to its first draft. Chirac's new position was bound to lead to a conflict between President and Prime

^a See Serge Hurtig, 'France after de Gaulle', *The World Today*, August 1969

Minister. Although Chirac's authority within the Government suffered, his rating among the Gaullist deputies did not. When he 'resigned' in August 1976, he was already being hailed as the Gaullist rival to Giscard in 1981.

Apart from fundamental policy issues, the major factors for the rift were the ideological standpoint of the President, which was centre to centre-left, and his desire for more 'presidential' government, which implied less freedom of action for the Prime Minister. Chirac's promotion thus proved to be wholly unproductive, and his effective dismissal was resented by the Gaullists. To avoid further dissension, Giscard replaced him by his former Minister of External Trade, M. Raymond Barre, who was probably the most neutral candidate politically and hence the most acceptable to all parties.

The President's strategy has not won him much support or praise. In the 1976 parliamentary by-elections, both Gaullists and Socialists increased their voting strength at the expense of Independent Republicans and Centrists and Communists, respectively. The by-elections certainly showed that the Gaullists, under M. Chirac's leadership, were the most dynamic and popular of the majority parties. For them the results were a confirmation of M. Chirac's efforts to polarize issues and create a broader and renovated party, duly effected by the formation of the *Rassemblement pour la République* at the end of 1976, whilst not yielding to the President's desire to win over votes from the Socialists by appearing more moderate.

More recently, Chirac precipitated a crisis by standing against the President's nominee, M. D'Ornano, in the elections for mayor of Paris. Chirac's victory has enhanced his political influence and given him a favourable vantage point from which to campaign in the coming months. He sees his victory as a vindication of the rigid policy not to compromise with the Left and to ensure that voters in 1978 have a clear choice between the politics of the Right, as championed by the RPR, and those of the Left, under the aegis of Socialists and Communists. It has been suggested that Chirac would not be averse to a victory of the Left in 1978, since any ensuing crises would produce a strong basis for his presidential aspirations in 1981 and prove that only wholehearted support for the RPR can keep the Left outside government. On balance, however, Chirac is unlikely to provoke a major crisis which would make the Right more vulnerable to defeat, preferring to give general, if tacit, approval to the President's main policies while still aiming for major gains in 1978. His desire to be the effective, if not appointed leader of the majority parties received a boost when Giscard reaffirmed in May that he would remain President even if the Left were to win. In effect, Giscard admitted that he could not be seen to lead a presidential majority in the election campaign and that, while he could side with the majority, he would stand

more aloof from the campaign than had been thought previously. At the same time, the President's old party, the Independent Republicans, changed its name to the Republican Party and, under the leadership of M. Jean-Pierre Soisson, adopted a more conciliatory approach to the RPR, welcoming Chirac's call for a majority pact to fight the elections.

Economic developments

It was the President's bad luck to assume office as the world drifted into deep recession. The French economy took a downturn at the end of 1974 and did not recover until the end of 1975, during which time real GNP was running, for the most part, at about 4-5 per cent below the level of the previous year. For 1975 as a whole, however, real GNP declined by about 2 per cent, rebounding strongly in the final quarter and continuing to do so in the first half of 1976. This was due mainly to an over-ambitious reflationary programme, introduced in September 1975. Aside from the programme's positive effects on consumer spending, public investment and real output, several negative factors of greater importance resulted: a record public sector financial deficit of 45,000 m. francs; a rapid deterioration of the trade balance and balance of payments current account in 1976 of 20,000 m. francs and 29,000 m. francs respectively; a perpetuation of high inflation (9.6 per cent in 1976); and no impact on rising unemployment, which the programme was designed to reverse. Moreover, because of the rapid decline in the foreign balance and of high inflation, the franc was under substantial pressure in 1976, culminating in its withdrawal from the European currency snake in March, and further depreciation to about 5 francs to the dollar and nearly 2.10 francs to the Deutschmark, thereby aggravating the rise in prices. In spite of recent currency stability and some small improvements as the flow of bad economic news has been arrested, the franc remains vulnerable and may weaken later in the year ahead of the elections. This would have an adverse impact on prices at a politically very sensitive time.

To maintain the currency, France has not only borrowed heavily, but has also retained high interest rates, which, in addition to inflation and political fears, has delayed any turn-around in capital spending or raising, for example, on the Bourse. High interest rates have persisted also until the present in order to bring money supply growth under better control. The adoption of restrictive monetary and credit policies in the last quarter of 1976 and since, has reinforced the economic slowdown, which began in the second half of last year and contributed to a further rise in unemployment since the beginning of 1977 (to over a million in March). Government priorities, however, have concentrated on reducing inflation and the Barre Plan, introduced in September 1976, has been the major strategy behind this objective. The Plan's main measures comprised a price freeze to the end of 1976; lower VAT from 1977; higher taxation

and social security contributions; the imposition of an anti-inflationary surtax on companies; and guidelines of 6·5 per cent for wage and price increases. At the same time, interest rates were raised, exchange controls tightened and money supply growth targets announced (15 per cent for the end of 1976 and 12 per cent for 1977).

The Plan certainly seems to have reduced inflationary expectations and its effects on the economy, together with restrictive fiscal, budgetary and monetary policies, have led to improvements in the balances of trade and payments, although they remain in deficit. Flat domestic demand, however, and exports, which have only shown signs of modest recovery recently, suggest that real growth may not exceed 3-3·5 per cent this year. The persistence of inflationary pressures in the pipeline will probably restrict the fall in inflation to about 8-8·5 per cent for the year's second half. The corporate sector's tight liquidity and profitability positions constitute an environment, which is not conducive to higher investment; the latter will probably remain stagnant in real terms. The most sensitive indicator of unemployment, moreover, may only begin to show any significant downward trend late in the year or in 1978. The Government has adopted a 12-month plan to tackle unemployment, by means of specific job-creation programmes and controversial assistance to the steel industry, which the RPR sees as producing further unemployment, and which the Left also condemns because of granting state aid without taking any corresponding stake in the industry. The Cabinet meeting, held to discuss the plan on 16 and 17 April, gave overriding priority to economic and financial recovery, and the Government is unlikely to embark on any election-induced reflation, although further measures of a cosmetic nature may be expected in the second half of the year.

Whether the evolution of the economy will be of direct benefit to either side of the political spectrum is uncertain. It is quite conceivable that towards the end of the year inflation and interest rates will have fallen slightly and domestic demand will be a little stronger. Under these circumstances, unemployment, which lags behind the economic cycle, may be looking somewhat better just at the right time in 1978, although the decline may be small. On balance, the Government may be able to take some credit for the stabilization policies it has implemented, and for the improved economic conditions which could materialize. The Left's main vulnerability lies in the response of organized labour to the economy, the Barre Plan and unemployment. As stated above, after the municipal elections militancy and strike activity increased, notably in the public sector. A general strike, called on 24 May to protest against a freeze on free wage bargaining, was supported actively by over four million workers, though it lacked the spirit of militancy evident in 1968. Although the Socialists would probably like to exercise a restraining influence, the French electorate, faced with profound economic and social change if the

Left wins, may not set the Socialists apart from their more extreme allies on the same platform.

Conclusions

In the light of these considerations, the basic conclusion is that the 1978 elections will be fought, in the main, between the RPR and the Socialists. The Government may well play some economic trump cards later in the year, but all that remains for the President is his personal popularity, which is now probably trailing behind that of M. Mitterand. An opinion poll in *France-Dimanche* (17 April) suggested that the latter is the most popular politician, favoured by 67 per cent of the public. A previous poll in *Le Figaro* (7 April) showed a distinct decline in the good standing of M. Barre, in spite of recent Cabinet changes, which seem to have had little effect. Giscard and his supporters cannot rely solely on the centre parties and the President cannot afford to intensify the split with the RPR. He has, thus, been forced to accommodate some sections of the Centre-Left and of the Socialists themselves. At the time of writing, the most likely prospect of the coming general election may be summarized as follows:

- (i) The President and his supporters and the RPR may campaign accommodatively on different platforms and be able to retain a majority;
- (ii) If the Centre were to collapse, the RPR would be more likely to benefit than the Socialists, who will probably make gains at the expense of the Communists;
- (iii) The economic situation may have a neutral to slightly positive effect on the electoral chances of the Government and its supporters; and
- (iv) President Giscard d'Estaing is likely to emerge still on top, but weakened, after the elections; he will then be under pressure from M. Chirac's own presidential ambitions—especially if the Union of the Left makes significant gains.

Iran 1980-85: problems and challenges of development

ABDOL-MAJID MAJIDI

ANY discussion on the subject of a development strategy must start with the role of oil revenues in the growth performance of the Iranian economy. This is especially so since the recent events in the international oil market whereby the Opec (Organization of Petroleum Exporting Countries) nations made the long overdue and legitimate adjustment in the price of their crude exports. Indeed, the net impact of these events was that from an oil revenue of approximately \$4.8 billion in 1973, the figure rose to about \$18.5 billion in 1974, with an estimate of \$21 billion for 1976.

There is no question that the oil sector has played a major role in the growth performance of the Iranian economy over the last 20 years. On the aggregate supply side of the national accounts, the growth in the value added of the oil and gas sector has been a main contributor to the growth of GDP and GNP. The data clearly indicate that over the period 1959-75 the share of the oil sector in GNP has risen on a sustained basis from approximately 10 per cent in 1959 to approximately 40 per cent in 1975. This suggests that the rate of growth of the oil sector has been consistently higher than the national average.

On the demand side, oil revenues accruing to the public sector translate themselves directly into government investment expenditures (i.e., development spending or capital formation in the productive and infrastructure sectors) and government consumption expenditures (i.e., the running of government agencies and the meeting of expenditures arising out of public services). At the same time, there are impacts on the private components of investment and consumption via multiplier effects, credit availability and liquidity injections.

Yet, while the benefits of oil to oil exporting countries are clear, there are risks to be taken into account. The most obvious are: (i) Since an oil-dependent growth process requires an ever increasing level of oil revenues in order to sustain its growth momentum, what will happen when the oil revenue trend begins to taper off and then decline? (ii) The dependence of fiscal authorities on oil as an easily accessible source of revenue may tend to retard a smooth and gradual development of a tax

The author is Iranian Minister of State in charge of Planning and Budget. This article is based on a paper that he delivered to a Chatham House conference on the same subject in December 1976. A Dutch version appears simultaneously in *Internationale Spectator*, journal of the Nederlands Genootschap voor Internationale Zaken, Den Haag.

base sufficiently broad to be closely interwoven with the mainstream of domestic economic activity. (iii) A relatively abundant source of access to foreign exchange now may encourage production to meet local demand rather than to meet export targets designed with an eye to developing an international comparative advantage in the industrial and services sectors. There is no doubt that the long-term development of the Iranian economy is definitely dependent on the building of a non-oil export sector capable of meeting future import requirements.

Rapid growth

Of course, no picture of the past performance of the Iranian economy can be complete without a glimpse at the sectoral performances—that is, agriculture, industry and services—and the GNP figures. A cursory look at the available data indicates a very rapid growth of the industrial and services sectors. This is to be contrasted with the much slower performance of agriculture and suggests that the internal recycling of oil revenues towards the productive sectors has tended to benefit the industrialization drive rather dramatically. Indeed, industrialization has been and continues to be the cornerstone of Iran's development strategy. This is not to say that agriculture is to be neglected, but rather to emphasize that the constraints on agricultural development are such that they will not permit the absorption of oil-based financial resources beyond a point significantly below the total. The very size of oil revenues, the limited absorptive capacity of agriculture, the water constraints and the low rates of growth of agriculture observed all over the world of necessity imply that Iran's socio-economic development cannot be achieved either rapidly or on a sustained basis without emphasizing the growth of industry and its related infrastructure and human resources.

Putting it all together, the growth performance of the Iranian economy has been rather spectacular since the just correction of oil prices. Yet this should not overshadow the very solid growth rates experienced during the previous periods.

Indeed, there are three distinct phases evident during this period: Phase I (1959–63) characterized by a relatively lower rate of growth of about 5.5 per cent in constant prices and a practically non-existent inflation; Phase II (1964–70) characterized by a high rate of growth—about 10.5 per cent in constant prices—and increased inflation; and Phase III (1971–present) characterized by extremely high rates of growth concurrent with a seemingly accelerating inflation. It should be made clear that the Shah and People Revolution initiated in 1962, and involving a broad programme of economic and social reforms, was responsible for the sudden leap in the rate of growth observed in Phase II.

In the past ten years, Iran's GNP has increased more than eight times, from 6 billion dollars in 1965 to 51.3 billion dollars in 1975 at current

prices. To report the real increase net of inflation, GNP, at constant 1972 prices, has increased 4.8 times from 7.7 to 37 billion dollars in the same period. GNP per capita has increased 6.5 times at current prices and 3.6 times at constant 1972 prices during this decade (from about \$240 in 1965 to about \$1,550 in 1975 at current prices, and from about \$300 to \$1,125 at constant 1972 prices in the same period). We expect that by 1985 our GNP will reach 232 billion dollars at current prices and approximately 100 billion dollars at constant 1972 prices. Such growth means that by 1985 GNP per capita in Iran will exceed the \$5,000 level at current prices.

Looking briefly at other facets of Iran in the future, we expect that by 1985 our population will top 42 million. It is at present 33.5 million and will approximate 38 million by 1980. We expect our college graduates—with a bachelor's degree or above—to top 80,000 by 1985, with an additional 100,000 graduating with a two-year degree. Domestic automobile production will pass the 1,000,000 mark, with the number of passenger cars per capita increasing from approximately 30 per thousand in 1975 to 100 per thousand in 1985.

In the metal industries, we are planning for a steel production per annum of 20 million tons in 1985. Copper output will approach 300,000 tons per year. In the field of public ownership of industrial stocks, plans call for a 49 per cent distribution or sale of shares to workers and individuals in the private sector, and a 99 per cent distribution or sale in the public enterprises. These plans are well under way at present. Moreover, Tehran is expected to become, by 1985, a major financial centre in Western Asia, essentially bridging the existing gap between Zurich and Tokyo. Concurrently, the shipping industry, and by corollary the role of Iran in world transport, will assume a greater degree of importance. Iran will be in 1985 a major user of multi-purpose satellites in the field of telecommunications, including telephones, television, educational television, remote sensing, etc. These are, in a random and non-exhaustive fashion, some of the elements which will form the socio-economic picture of Iran in 1985.

Moreover, it is interesting to note that, at present, Iran is extremely well placed to take advantage of the financial inflows resulting from the new international oil situation. Among the oil producers of the Opec group, Iran seems to have the edge in that absorptive capacity, supply of human resources and an already existing economic élan are factors deemed to be the *sine qua non* of successful usage of oil resources for development purposes.

Long-term problems

Having given this glimpse of the past and the future, let me now turn to the problems and challenges of Iran's long-term development. It should be clear that the cornerstone of Iran's strategy of development

consists of channelling resources earned by the oil and gas sector in the international market to expanding the non-oil production base. What then are the problems and challenges? I shall enumerate them in random order, that is, with no intent of ranking in order of importance.

(i) An ever expanding economy such as Iran's requires an ever expanding flow of oil-based resources to maintain its momentum. Given the limitations on known oil reserves, the ever expanding needs for domestic energy sources, the plans to supply petrochemicals and refineries with enough crude oil to meet domestic and export requirements, it is clear on the basis of most predictions that future oil revenue inflows will peak somewhere in the Seventh Plan (1983-87) and decline steadily thereafter. Exceptions to this conclusion are based on new and large discoveries in oil resources and/or the possible increasing importance of natural gas in the international energy market.

(ii) In view of the fact that oil-dependent growth in Iran has a limited horizon, one can conclude that this period will end sometime soon, and that the economy will have to 'normalize'. By normalization is meant that growth will become even more dependent on the mobilization of internal resources, that is, the public sector will have to increase the share of tax revenues in total revenues and the private sector will have to be dependent on private savings and corporate profits for its growth momentum. The removal of oil as an adequate and easy source of savings implies of necessity a move in the direction of efficiency.

(iii) A corollary to the above relates to Iran's ability to earn foreign exchange. Oil revenues provide at present both a relatively abundant source of government revenue and an abundant source of foreign exchange. While the generation of domestic resources in lieu of oil has been discussed above, the generation of foreign-exchange earnings in lieu of oil needs to be elaborated on the basis of the possibilities of a future international comparative advantage for some of Iran's products. What is clear is that an expanding GNP requires expanding import requirements in order to maintain its growth momentum. Thus, in a situation of declining oil reserves and a declining share of oil in the national economy, Iran will need to develop substitute export goods of a value magnitude sufficient to meet import needs. Indeed, one of the most important facets of Iran's long-term development is her ability to develop non-oil non-traditional exports.

(iv) The longer-term problem of export development is intimately tied with the strategy of economic development and the possibilities for developing an international comparative advantage in the production of certain commodities. Of the productive sectors—agriculture, industry and mines and services—only the industrial and mining sector offers the possibilities of becoming an earner of foreign exchange. The possibilities for growth in agriculture, the most traditional sector, are known to be

limited by physical constraints, such as water, arable land, etc. Moreover, domestic needs are most likely to be met by local production only in certain specific items, and thus Iran is projected to be a food importer over the longer term. In addition, it is quite unlikely that Iran can become a main exporter of services. One is therefore left with the industrial sector as a potential earner of foreign exchange, a fact which underlines a no choice situation.

(v) In view of the longer-term problems associated with the role of oil in the Iranian economy, we can conclude that a major challenge in the socio-economic development of Iran concerns the implementation of a rapid industrialization strategy geared to an internationally competitive industrial export sector.

(vi) The world food situation is anticipated to worsen over the next twenty years as population pressures begin to make themselves felt anew. This in turn will create scarcity conditions whereby food, even if available, will sell for very high prices. While such a scenario is by no means certain, it should be clear that from this vantage point in time there are distinct repercussions on present and future overall agricultural policies for Iran. Most important is the fact that in the face of such world uncertainties, and bearing in mind the limitations (physical, climatic, social, cultural and economic) presently existing in the agricultural sector, the best policy for Iran is to try and attain self-sufficiency in grains. This is indeed a challenge in that rapid industrialization must be accompanied by the maximum growth of the agricultural sector.

(vii) Rapid growth usually results in its initial and secondary stages in a widening of the income distribution. This is manifested between various income groups and regions as well as between the urban and rural populations. In oil-producing countries in general, this problem is rather more pressing. This is because oil revenues accrue centrally to the Government, and the Government, being eager to promote rapid growth, has tended to allocate these oil-based resources to the areas most endowed with the complementarities of production (i.e. infrastructure, skilled labour, entrepreneurship, etc.). While it is clear that it is difficult to completely counter the forces of economic efficiency on the basis of social efficiency criteria, it is also clear that a balance must be struck on both human and political grounds so as to prevent the tearing of the social fabric. This may well be our most difficult challenge.

(viii) The urban-rural gap and regional balances, as well as the locational aspects of efficient industrialization, raise another factor in Iran's longer-term strategy of development, namely that of spatial considerations. This in turn is intimately tied with population movements (natural increases and migrations) and the planning system's ability to rechannel these into a more desirable configuration from the point of both social and economic efficiency criteria. It is therefore necessary, on a longer-term basis, to re-

think and reformulate the inevitability of rapid industrialization within a spatial strategy, hopefully to be more compatible with environmental and quality-of-life constraints.

(ix) There are, of course, certain institutional challenges for which Iran is at present looking for innovative solutions. These include, among the most important, (a) the nature and ability of the planning system; (b) the implementation of decentralized decision-making systems involving policies designed to increase grass-roots participation; (c) the administrative revolution, and (d) the strengthening of national defence.

In view of the very high goals set before the Iranian social and economic system over the longer term, and the pressures associated with reaching these goals, it is clear that not only private sector efficiency but also public sector efficiency is of paramount importance. More specifically, there is a great need to improve the planning system in order to fill some of the 'planning gaps'. If the aim of Iran's longer-term development is to use her non-renewable oil-based financial resources in an efficient fashion, then the planning problems must be solved in order to prevent waste and cost overruns as well as the creation of unnecessary inflationary pressures.

Moreover, given that the planning of economic and social development requires a national effort, it follows that the greater the degree of popular participation, the more likely that the energies of groups and individuals at the grass-roots level become mobilized, within a plan framework, for deciding the best course of action in their milieu.

The question of revolutionizing the administrative apparatus is a public sector efficiency question which needs to be looked into as a longer-term challenge. The pace of implementing red-tape cutting changes is important as a complementary factor in the strategy of development exposed above, especially with respect to maintaining the private sector's dynamism. Within the public sector, however, it requires a new look at the incentive system of public sector employees so that the management of such a large portion of the GNP can be implemented with a modicum of efficiency.

Much of the efforts now being made to develop Iran require a sense of national security in a basically insecure world. In this light, strengthening the nation's defence apparatus is a major challenge towards which we are working with dedication. Our armed forces must always be ready to defend the national borders and protect the socio-economic progress of Iran, as well as be prepared to safeguard the security of our vital waterways in the Persian Gulf.

(x) Of primary importance at all stages of socio-economic development is the 'quality of life' issue. In this respect, then, the policies of rapid industrialization must be constrained by these considerations wherever they may be relevant. Most often mentioned are the questions of pollution (noise, air, water, etc.) of the environment in which individuals are

meant to benefit from rapid industrialization, whereas in fact they find themselves hemmed in by environmental pressures. Such pressures may lower the quality of life below the compensatory satisfaction derived from the extra availability of material goods. It is therefore necessary to introduce the kind of public policies designed to maintain a balance between increasing material welfare and a decreasingly suitable environment.

(xi) Given the very high projected growth rates of the urban population and the difficulties (in time) associated with the development of the urban infrastructure amenable to a decent quality of life, it is necessary to control *premature* rural-urban migration to the extent that such migrations lend themselves to controls and/or redirections.

It should be clear that rural-urban migration is a natural by-product of economic development and more specifically that of industrialization. Yet it is also clear that uncontrolled migration leads to excessive concentrations of population in booming urban centres, while at the same time depleting the rural landscape. Thus, policies must be designed to increase the non-migration incentives of the rural population so as to bring migration into the planning context by making it a policy variable. Such policies include in a non-exhaustive fashion: agricultural production incentives, betterment of urban-rural terms of trade, provision of infrastructure services, rural electrification, some rural industrialization, public sector attention for the marginal lands, improvement of the urban-rural gap, etc.

At the same time, policies must be designed to channel migrants towards the urban locations designated favourably in the long-term spatial equation. According to present trends, it is clear that Tehran is the main attraction, and that something must be done to relieve the pressure on the capital. This involves the development of a system of principal cities supported by a secondary system of medium-sized cities, which need to be made equally attractive to the migrant.

(xii) Last, but of crucial importance, we must focus on the challenge of diversification in energy usage. As His Imperial Majesty has stated many times, there are more useful consumption patterns for oil than burning it as energy. In Iran, at this time, we are concentrating our efforts to substitute other forms of energy for oil-based energy. This includes programmes and commitments in the development of nuclear and solar energy, natural gas and hydro-electric facilities.

While the list of challenges is large, it is by no means exhaustive and I have not meant it to be so. On the contrary, I have tried to select those broad areas which seem to present the major challenges ahead. The process of socio-economic development is a long and arduous road fraught with many obstacles. In Iran we consider these obstacles as challenges which must be overcome if we are ever to take our place among the ranks of developed countries. But our essential challenge remains the main-

tenance of our purchasing power in the international market. On this factor rests much of our ability to meet the challenges of development as I have specified them, and to meet them within our own time horizon. The fact that our oil revenues from exports will peak in 1983, and then decline, makes the question of purchasing power all the more crucial.

It has been argued that international inflation has been reduced to a 5 per cent to 8 per cent level as based on aggregate export indices. Such indices include everything from machinery to hamburgers. But the real fact facing us is that we do not import according to the weights in the aggregate index. We are not in the business of importing 'hamburgers', shall we say. Our import price indices are rising much faster than our export price indices. Let me give you some examples. In 1970 we invested in the production of electricity at about \$120/kw. In 1976 the latest data showed that the same cost \$380/kw. In 1971 our investment costs per barrel of refined products amounted to \$1,080. In 1974 this figure rose to \$2,300 and now it is almost \$4,000. These are import-dependent investments and they relate directly to our ability to meet the challenges we have set for ourselves. We must therefore protect our purchasing power, and our purchasing power as measured by the goods we import and not as measured by aggregate indices. It is in this light that I must emphasize that a 15 per cent increase in the price of oil is a minimum.

For Iran in 1985, fortunately, I am an optimist in that, under the wise leadership of His Imperial Majesty, the Shahanshah, we are and will be engaged in the pursuit of innovative solutions to our problems.

Nordic co-operation : a dead issue?

BENGT SUNDELIUS

Contrary to expectations, the challenge presented by the enlargement of the European Community has provided a stimulus to Scandinavian co-operation.

SOME years ago Nordic co-operation was declared a dead issue in Scandinavia. The proposed Treaty for Nordic Economic Co-operation (Nordek) was not signed as expected in 1970. This event was regarded as a great setback for Nordic unity, and to many observers the last chance for Nordic integration had been passed up. The attention now shifted to the larger European scene, where each of the five Nordic countries had to come to some type of agreement with the European Economic Community. During the next three years the Nordic arena seemed to be largely overshadowed by the important developments in the relations with the European Community. Finally, in 1973 Denmark joined the EEC, while Norway, Finland, Iceland, and Sweden worked out trade agreements with the organization.¹

The Nordic region was now split economically, as it had been split on national security issues since 1949. Seemingly, efforts towards Nordic co-operation were dead as the different European interests and orientations of the countries would come to dominate their relations and make purely Nordic solutions impossible. In particular, it was expected that Denmark would gradually be assimilated into the European group and loosen her ties with the other Nordic countries. Donald Hancock, writing in the spring of 1972, offered a pessimistic scenario of the possible future of Nordic relations:

Politically, the Nordic cleavage could result, at the worst, in a fragmented regional system. Participation in the European Community by one or more of the Scandinavian states may prove so absorbing that Nordic co-operation will atrophy. Established agreements and regional structures such as the Nordic Council would not necessarily

¹ Reviews of these developments are found in the special issue of *Scandinavian Studies*, Vol. 46, No. 4 (Autumn 1974) devoted to Scandinavia and the European Community and in *Scandinavian Political Studies*, Vol. 8 (1973).

Bengt Sundelius is Assistant Professor of International Studies at Bradley University, Peoria, Illinois. He is engaged in a larger research project on Nordic integration from which this article is drawn.

be scrapped, but the Scandinavian governments would undertake no new steps to initiate further policy co-ordination.¹

In contrast to this common belief in the end of Nordic co-operation, the efforts to reach Nordic solutions to national problems have continued. In fact, the region in recent years has experienced an intensification of the co-operation process. Important new structures have been created to give greater stability and effectiveness to the joint efforts, and several substantive policy results have been achieved since 1970. It seems that the external challenge of an enlarged European Community and the potentially stronger pull on each of the countries towards the Continent has induced a more intense effort to keep the Nordic region intact.

Last April the Nordic Council held its 25th Annual Plenary Session in Helsinki. In character with the low-key Nordic co-operation effort, during the session far more energy was devoted to the demanding legislative work of the organization than to any extended celebration of the anniversary. At the week-long meeting, 30 member proposals, 4 proposals by the Nordic Council of Ministers, the annual reports of the Council of Ministers and the Presidium of the Nordic Council, 51 reports on previous Council recommendations, and 17 questions to the participating ministers were processed. Thus, the Council on its 25th birthday still showed great vitality. In honouring this event this article will outline the most significant achievements of Nordic co-operation since the collapse of Nordek seven years ago, of which the Nordic Council has been the most persistent initiator and promoter.

Structural growth

Traditionally, Nordic co-operation has been characterized by a lack of central institutions and a fear of creating independent Nordic organs. For years, the Nordic Council, an advisory parliamentary assembly, was the only major joint body in the region. In this respect the Nordic effort differs substantially from the continental European integration process, where several strong institutions have existed for many years. Instead, trans-governmental elite interactions have taken the place of central Nordic institutions.

Nordic co-operation has been carried out through informal policy co-ordination among national officials and ministers rather than by the leadership of joint Nordic institutions comparable to the EEC Commission. Similarly, the numerous non-governmental organizations in the region have traditionally relied more on informal consultation and co-ordination than on creating strong central decision-making bodies. In the light of this history, the recent institutional growth in the Nordic

¹ 'Sweden, Scandinavia and the EEC', *International Affairs*, Vol 48, No. 3 (July 1972), p. 436.

region is significant as it deviates from the traditional pattern of co-operation in the area.

Since 1 July 1971, the Nordic Council has a Presidium Secretariat in Stockholm, which serves the joint needs of the organization. This body is staffed with approximately twenty Nordic officials who have no formal ties with any of the Nordic governments. Before this time, the Nordic Council was aided by five national secretariats, assisting the national delegations to the Council.⁸ Today, these generally small, national secretariats coexist with the new Presidium Secretariat, which is taking on an increasingly important role in the work of the Council.

This structural expansion of the Nordic Council has also been coupled with a dramatic increase in its budget. While in 1965 the joint expenses of the Council were only about \$100,000, the figure had in 1970 increased to about \$300,000, and in 1976 more than \$1 m. was spent on the joint activities of the Nordic Council.

Clearly, the institutional strength of the Nordic Council is today far greater than before 1970. This change has also been coupled with an intensification of the activities within the Council. For example, in 1975 a Budget Committee was added to the five already existing committees for judicial policy, culture, social and environmental affairs, communication and economic policy. This new Budget Committee is charged with the vital responsibility of overseeing and controlling the growing joint governmental budgets for Nordic co-operation. It is expected that the Nordic Council, through this committee, will play a considerable role in the collective budget-making process in the area.

In addition, the number of member proposals, the frequency of committee meetings and the success in having its recommendations adopted by the Nordic governments have increased during recent years. Finally, many observers have pointed to the increased politicization and vitalization of debate in the Council during the last years. Today, party-sponsored proposals, party voting and caucusing are not uncommon features. In particular, the Nordic socialist parties have intensified group efforts in the Council in order to maximize their influence on resolutions adopted.

In 1971 the Nordic governments revised the 1962 Treaty of Co-operation between Denmark, Finland, Iceland, Norway and Sweden (The Helsinki Agreement) to establish a Nordic Council of Ministers. Before this time, Nordic ministers met quite frequently on an informal basis to discuss questions of mutual interest. This tradition of high-level ministerial contacts was now codified and given a more formal structure in the creation of a Council of Ministers.

The composition of the Council of Ministers varies with the type of question discussed. For example, the Ministers of Culture meet to solve

⁸ In 1976, their staffs were Denmark-6, Finland-7, Iceland-1/2, Sweden-14.

cultural and educational issues, the Ministers of Social Welfare to discuss common welfare strategies, and the Ministers of Transportation to analyse communication policies. Each government has also designated one cabinet member to be primarily responsible for Nordic co-operation issues and these meet as the Ministers of Co-operation. Their role is to co-ordinate the activities of the functional co-operation areas, which are handled by the other ministers. The Ministers of Co-operation plan the future course of the co-operation process, set priorities, make up a joint budget, maintain contact with the Nordic Council and generally oversee the many aspects of Nordic co-operation.

Outside the Council of Ministers framework, some Nordic ministers have consultations in more informal settings as before. For example, the Foreign and Defence Ministers meet each year to discuss issues of mutual interest. In these areas of co-operation the Nordic governments have preferred to stay outside the formal Council of Ministers system due to the different national security arrangements of the countries. Here, high-level contacts can still be maintained but these are not subject to the various rules and regulations of the Council of Ministers. In addition, the Prime Ministers meet regularly on an informal basis. Thus, today Council of Ministers meetings coexist with more traditional and informal interactions among the political leaders of the region.⁴

The Council of Ministers is assisted by several Permanent Committees of High Officials. These bodies prepare the meetings, proposals and decisions of the Council. In 1976 there were fifteen such Permanent Committees, each handling a specific functional co-operation area.⁵ These Committees are made up of high-ranking officials in the various national ministries or agencies and meet frequently to keep the Nordic co-operation process flowing. One of these, the Committee of Deputies, is charged with general supervision, co-ordination, planning and assisting the Ministers of Co-operation.

The various ministers and high officials are served by two Nordic secretariats, which handle the day-to-day activities of Nordic ministerial co-operation. Since January 1972, a Nordic Cultural Secretariat in Copenhagen has handled the cultural sector of co-operation. In a traditional pattern, the Nordic governments were at first very hesitant to create an independent Nordic Secretariat to handle anything but cultural issues. In 1973 a Ministerial Secretariat was finally established in Oslo to assist the Council of Ministers in all sectors except the cultural sphere, which is still handled in Copenhagen.

⁴ By 1976 the Council of Ministers had met formally as ministers for co-operation, labour market policy, housing, industry and energy, justice, local affairs, culture and education, environmental affairs, social and health policy, communications and tourism.

⁵ Areas covered were: general co-ordination, labour market policy, social policy, working conditions, foreign aid, foreign trade, industrial and energy policy, consumer policy, judicial policy, environmental policy, regional policy, housing, transportation, monetary and financial policy, and cultural policy.

SCANDINAVIA

In 1976 there were approximately sixty individuals working in these two ministerial secretariats. Obviously, these Nordic institutions are yet small and are closely supervised by the Permanent Committees of High Officials. They can be seen more as service organs to the Council of Ministers than as strong independent bodies. Yet, their existence can have fundamental effects on the future of Nordic co-operation as, for the first time, there are now officials working full-time on these issues. Nordic ministerial co-operation has finally been given a bureaucratic foundation from which new joint schemes can be launched and promoted on a permanent basis. No doubt, this change has given more stability and strength to the co-operation effort.

One major reason why it is interesting to analyse Nordic co-operation is the uniquely informal and flexible character of this regional effort. When comparing it with other cases of international co-operation, one is struck by the intensity, informality and flexibility of Nordic arrangements. Contacts are maintained on a daily basis among the national officials responsible for policy-making to co-ordinate their work from a joint Nordic perspective. These contacts are channelled both through the periodic formal meetings of the Permanent Committees, and what is perhaps more important, through informal means, such as correspondence and telephone calls. National agencies deal directly with each other without using the official Foreign Ministry channels and can for this reason keep the formality to a minimum. In addition, most regional consultations and routine decisions are made by phone directly between the officials responsible for the particular policy area. Thus, the co-operation effort is very intensive and informal and, in fact, more closely approximates a process of intra-governmental interactions than inter-governmental co-operation found in other areas of the world.

The recent creation of several joint Nordic institutions is an important addition to this system of trans-governmental arrangements. This is the case as Nordic co-operation has been given a firm structural basis. There are now close to 100 full-time Nordic officials, who can make sure that regional perspectives and considerations are persistently included in national policy-making and who can provide a bureaucratic foundation for further efforts toward Nordic integration. Thus, a sense of permanency and stability has been provided, which can prove very important for the future development of Nordic relations.

New policy results

Arguably the fact that significant structural growth has taken place in the region since 1970 does not necessarily mean that the Nordic co-operation process has managed to produce new substantive policy results: these new institutions could exist in a political vacuum, where their activities would fail to be meaningful to the Nordic societies. For this reason, it is important to point to the most conspicuous achievements made in

terms of joint Nordic policy during the last seven years. The surprising fact is that, while relations with the EEC have dominated political debate and public attention during this time, the low-key Nordic effort has led to considerable new policy results in several major areas.

In 1971 a Nordic Cultural Co-operation Treaty was signed to intensify and symbolize the traditionally extensive co-operation effort in this area. When discussing Nordic cultural co-operation, one should keep in mind that this sector is much broader than often realized. Three functional areas are included in this sphere: research and higher education, primary and secondary education and general cultural activities. Thus, much of Nordic cultural co-operation is in fact devoted to joint research and educational policy. These are areas which go beyond cultural issues in a traditional sense. In fact, only 32 per cent of the joint Nordic Cultural Budget was in 1974 devoted to strictly cultural projects, while 45 per cent was spent on research and 23 per cent on education.

The major part of the expenses on research is for the many Nordic research institutes, such as the Nordic Institute for Social Planning, the Institute for Asian Studies, the Institute for Theoretical Nuclear Physics, the Institute for Law of the Sea etc. Other examples of Nordic cultural co-operation are the continuous effort to harmonize the educational systems from primary to university levels, the promoting of the study of Nordic languages and area studies, the ambitions to recreate a regional book market, the work to link the national television networks, the joint financing of Nordic research projects, educational-scholarly exchanges, the publications of Nordic periodicals and the pooling of scarce research resources for personnel, libraries and data archives. In addition, a Nordic Cultural Fund has, since 1967, helped finance many private co-operation projects. This fund has an annual grant giving capacity of about \$1.5 m and has made a significant contribution to cultural co-operation in the area.

In 1972 the Nordic governments went beyond cultural co-operation and signed a Nordic Transportation Treaty, which went into effect on 1 March 1973. This agreement outlines the goals, means and immediate plans for further Nordic co-operation in the area of transport and communications. Although co-operation has been present in this area for many years, the new treaty was signed to intensify these so far sporadic efforts. The long-range ambition is to work out a joint Nordic transport policy, which can benefit industrial and economic development in the region.

In November 1972, the Nordic Council of Ministers proposed a Nordic Action Programme for the areas of industrial and energy policy, regional policy, environmental policy and transport policy. This proposal was accepted by the Nordic Council in February 1973. The earlier Nordek Treaty had included several provisions regarding these co-operation

sectors, and the governments in 1972 found it opportune again to present a plan for co-operation in these economically important areas.

One direct result of the Action Programme was the establishment of a Nordic Industrial Development Fund in 1973. This fund was given \$12 m. to support industrial development projects in the region during the next five years. In addition, the programme specified numerous other co-operation schemes, which the Nordic secretariats should start work on. In 1976 the Ministerial Secretariat in Oslo was involved in about sixty such projects ranging from a study of regional mass transit systems, integration of the national housing industries, harmonization of consumer protection policies and development of joint energy policies to joint planning and financing of regional development.

The most recent Nordic treaty is a Convention on the Protection of the Environment between Denmark, Finland, Norway and Sweden. This agreement was signed in February 1974, and went into effect on 5 October 1976. In this treaty the Nordic governments undertake to give equal consideration to possible harmful environmental effects in other Nordic countries as within their own borders. In addition, individuals suffering from or feeling threatened by environmentally harmful activities in a neighbouring Nordic country can bring suit against the source of these activities.

In June 1975, the Council of Ministers decided to establish a Nordic Investment Bank. The idea of creating such an institution in the Nordic region is very old, but had so far never been carried out. The Nordic Council approved this latest plan in November 1975, and the new Bank began operation in August 1976. The Bank has a basic capital of 400 m. Special Drawing Rights (SDR) and a maximum lending capacity of 1,000 m. SDR (250 per cent of basic fund). The participating governments contributed directly $\frac{1}{4}$ of the basic capital and guarantee the remaining $\frac{3}{4}$. It is hoped that through this joint governmental sponsorship the financial institute will help attract foreign capital to the region at a time of great investment needs.

Last April the Council of Ministers presented a draft treaty on Regional and Local Co-operation for consideration by the Nordic Council. This agreement will enable local authorities, such as counties and cities, to co-operate intimately across national boundaries. It is recognized that an international border often presents a legal obstacle to practical and beneficial co-operation among local communities. In particular, this is the case in the vast North Cap area, where trans-border contacts have been maintained for many years in order to provide better service and living conditions for the local residents. It is hoped that this new treaty will remove the present legal difficulties with such trans-border co-operation on the community level.

At its twenty-fifth session, the Nordic Council recommended several

other new projects. An action programme for the improvement of the working environment, a co-operation programme for social and health policy and an intensification of co-operation in the housing industry were approved. In addition, the Council passed resolutions recommending the Council of Ministers to intensify its co-ordination of development aid, to help expand the instruction of Nordic languages abroad, to retard the widening linguistic differences within the Nordic area and to harmonize the countries' nuclear waste disposal policies.

It seems quite clear that the structural growth in the Nordic region since 1970 has been combined with a considerable output of new policy agreements in many areas. Not only has the co-operation effort been intensified in the cultural sector, but more controversial areas, such as industrial, financial, regional, transport, energy and environmental issues, have been dealt with on a Nordic basis. Thus, many aspects of economic policy have been included in the joint co-operation process during recent years.

The major difference between the new Nordic co-operation agreements and similar international treaties in other regions, is the fact that in the Nordic area co-operation has taken place for many years without the existence of such treaties. The signing of a formal agreement of co-operation in a specific policy area mainly symbolizes and helps intensify these long-term efforts of regional co-operation. In contrast, most international co-operation treaties are aimed at initiating co-operation schemes and the actual fulfilment of the goals of the treaty is often uncertain. Thus, the recent Nordic agreements should be seen more as indications of a stabilization and intensification of the traditional co-operation process than as rhetorical declarations of new commitments to future co-operation, where the realization of these hopes are more or less uncertain.

The observations presented here contradict the common belief that Nordic co-operation is merely concerned with various non-salient and politically less essential issues. They also question the assumption that Denmark's entry into the European Community has inevitably weakened the Nordic co-operation effort and made the region wholly dependent on that larger organization. Instead, the challenge presented by the EEC seems to have provided a stimulus for a strengthening and intensification of the Nordic co-operation process.

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Note of the month

EEC: THE BRITISH PRESIDENCY IN RETROSPECT

ON 30 June 1977, British ministers and officials concerned with the European Community were able to draw breath after six months of intense activity during their first Presidency of the Council of Ministers. The Belgian Government has now slipped into the Chair leaving the British to reflect on their record as Community managers. The Presidency of the Council offers each government in turn the opportunity to set its own distinctive mark on the running of Community business.¹ It has, however, been a difficult period in which to keep a sure and steady British hand on the Community tiller. The scars of renegotiation and the referendum had barely healed leaving a significant section of the Labour Party and Cabinet still hostile to both Community membership and particular Community policies. At the beginning of 1977, awkward negotiations were under way on the common fisheries' policy in which sensitive British interests were at stake,² and there were several other difficult issues in prospect from agriculture to energy. In addition, ever since January the contentious debate has rumbled on over whether Britain would be able to keep to her commitment to hold direct elections to the European Parliament on time with the other eight in spring 1978. The coincidence of Roy Jenkins's appointment as President of the Commission complicated matters further by presenting at least the illusion that the Community would be subject to disproportionate British influence. Soon after the Presidential term began, Anthony Crosland, the Foreign Secretary, died suddenly, thus bringing home to everyone the heavy burden of work involved and leaving the Government with an awkward change-over.

Not surprisingly, therefore, the plans sketched out by the British Government for its first Council Presidency were extremely modest in recognition of the problems of accommodating British and Community interests. They contrasted starkly with the far more ambitious approach of the Irish in 1975.³ Very detailed—in retrospect excessively careful—

¹ For a fuller account see Geoffrey Edwards and Helen Wallace, *The Council of Ministers of the European Community and its President-in-Office* (London: Federal Trust, 1977).

² See Angelika Volle and William Wallace, 'How common a fisheries policy?' *The World Today*, February 1977.

³ See Helen Wallace, 'Holding the ring: the EEC Presidency', *The World Today*, August 1975.

preparations were under way in Whitehall last summer, with the creation of a special Presidency Secretariat in the Foreign and Commonwealth Office.⁴ The specific British aims that emerged for the Presidency were twofold: a strong emphasis on the efficient management of Community business and the selection of a handful of issues on which the British would try to sway negotiations in Brussels. Specifically excluded was any attempt to extend Community collaboration quickly or to propose sweeping reforms in Community decision-making. This low-profile approach ran through Anthony Crosland's inaugural address to the European Parliament on 12 January. He argued that the long-term strengthening of the Community could best be served by a cool and realistic appraisal of what was feasible, rather than by over-ambitious and misleading commitments to rapid integration. The only area singled out as ripe for immediate and exciting progress was the further enlargement of the Community.

The importance attached by the British to the efficient management of business reflected several different concerns. The British Government had come firmly to the view that this was by far the most important duty of the Council Presidency. Moreover, it was an activity in which they hoped fairly easily to bring a proven British asset to the service of the Community as a whole. Also, it was hoped that a useful if unspectacular contribution might thus be made to remedying the often very irritating and time-consuming manner in which meetings in Brussels have in the past been conducted. In practical terms, this consisted of careful time-tableing of meetings in advance, the thorough preparation of business and systematic attempts to reduce the length of sessions even at the cost of cutting short discussion if it was clear that no agreement was likely to emerge.

In terms of Community goodwill the British have won the acclamation of busy officials in Brussels, who all too rarely have the opportunity to spend the evenings with their families, though ministers from other governments have been on occasion disconcerted at being prevented from presenting in detail all the points in their briefs. The British were also able to escape the cumulative backlog of unfinished discussion that tends to mark the last six weeks of any presidency. The management of political co-operation meetings has also in general been handled very smoothly and the British were even able to go some way towards rescuing European Councils by introducing proposals in March and April to structure negotiations among heads of government more systematically. A major failure was the abortive attempt by some British Ministers, especially Tony Benn and William Rodgers, to persuade the Council of Ministers

⁴ Arrangements were made to fit in also the anticipated Commonwealth Conference and Nato Council in London, which later had to be stretched to cover the Atlantic economic summit attended by President Carter and the other heads of government of the Western powers in May.

to hold more informal gatherings for more free-ranging discussion than has traditionally been the pattern, and to make the Energy Council a more open forum.

The second set of British objectives on policy issues has proved rather less tractable and provoked far deeper controversy. The general experience of other member governments in the Presidency has been that it does not offer a fruitful period for the pursuit of national interests. On the contrary, the pressures on the Government in the Chair are to detach itself from domestic preoccupations and look to the wider Community interest, even to the extent of sacrificing certain national interests. The British Government was aware of these constraints and of the danger that its tenure of the Presidency might encourage exaggerated expectations at home of the possible rewards to be reaped in Brussels. None the less, pressures from within the Cabinet, Parliament and certain key groups forced the Government to back a handful of issues hard, sometimes giving the impression that the impartiality of the Council Chair had been the first casualty in Cabinet discussions.

At the outset it was anticipated that negotiations on fisheries would dominate the first half of the year and thus prevent a constructive British input into other areas of discussion. In the event, the negotiations dragged out and the Irish took up the mantle of self-interested nationalism. Instead, the agricultural price review predominated as the most awkward issue, with the British Government attempting to hold an uneasy balance between protecting British consumers and moving towards a wider questioning of the Common Agricultural Policy. John Silkin's chairing of the Agriculture Council gave other governments the impression that he was playing primarily to his domestic audience and this counteracted the more positive progress in keeping down Community farm prices overall.⁵ The consequent public image of British narrow-mindedness therefore undermined another key objective—to put an end to the tortuous negotiations on the Joint European Torus (JET) with a decision in favour of the British site at Culham.

Apart from these rather dramatic discussions, some limited progress was achieved in several other sectors—a Community position at the North-South Conference in Paris more favourable to the developing countries than many had feared, agreement on the Sixth Directive on Value Added Tax, the go-ahead for further Euratom loans, some further steps in the harmonization plans for transport. In addition, consultations among the Nine on foreign policy co-operation went ahead relatively smoothly, with a less ambivalent British contribution than characterized negotiations on internal Community issues. The Nine have now opened a dialogue with the new US Administration, with Britain able to act as an intermediary, and begun to move towards a common approach on

⁵ See Trevor Parfitt, 'Bad blood in Brussels', *The World Today*, June 1977.

Southern Africa. In June, David Owen, the new Foreign Secretary, was able to carry other governments along behind his own critical policy towards President Amin of Uganda, thus demonstrating that the Community can be used to bolster a national policy objective.

The overall record of the British Presidency is thus very patchy. The modest rhetoric of January certainly provoked no dramatic expectations, but rather disappointed many of those in the Community who had patiently waited for a more constructive and active British contribution. Whitehall officials have certainly helped to oil the wheels of Community decision-making, but there has been no quantum leap forward in making the Community as a whole more efficient or effective. Progress in substance on Community policies has been slight, though this reflects as much a continuing hesitation in almost all member capitals over what new policy agreements are yet acceptable. Inevitably, some individuals have had a more marked success as chairmen of ministerial and official meetings than others. No single minister has made a dramatic impact as a skilful architect of Community agreement, though there have been sighs of relief that known anti-marketeers such as Mr Benn and Mr Shore have played the Community game at least in Brussels rather than insisting on rocking the boat. Perhaps no more could have been expected given that in any case the Council Presidency is not a vehicle for revolutionizing the operations or policies of the Community. However, the Presidency should have enabled the British Government to do two things: first, to convince the other eight Governments and the Commission that, irrespective of particular reservations on specific issues, Britain could and would play a full part in the Community; and, second, to get across to the public an awareness that Community membership provides simply a different framework for grappling with unavoidable national problems. Instead, the first six months of 1977 have seen the Government retreating before a resurgence of anti-Community feeling within its own party, and have left the future of Britain's relations with her European partners as troubled as ever.

GEOFFREY EDWARDS and HELEN WALLACE

Problems of Community budgeting

CHRISTOPHER TUGENDHAT

THE Budget of the European Community is both small, and, because of the massive predominance of agricultural spending, seriously distorted. As a result it is easy to dismiss as of little real significance.

But a Budget is a reflection of political realities and priorities. The present state of the Community's Budget reflects the embryonic and unbalanced state of the Community's own development. The purpose of this article is to put forward some ideas on how the Budget might evolve within the context of an evolving Community. It will not look forward to distant horizons. It will keep within the realm of the practical. But even within these limitations, the Budget's future development is hard to prescribe or predict.

In 1977, taking into account appropriations for commitment,¹ and not only appropriations for actual payment during the financial year, the European general Budget totalled 10·254 million European units of account or £6,667·8 m. This is certainly a considerable sum but it represents only about 2·15 per cent of the total of the budgets of the central governments of the member states and less than 0·7 per cent of the Community's Gross National Product.

However, the Budget is growing very fast, rising in the last ten years by nearly 600 per cent. This growth reflects a number of developments: the establishment of the major market organizations in the agricultural sector completed in 1969; the progressive integration, since 1973, of the new member states; the launching in 1975 of a Community regional policy; and the initiation and growth of other financial intervention policies, especially in the energy sector.

Unhappily, however, growth has not been accompanied by the achievement of a balanced range of activities. In the 1977 Budget, 70·70 per cent of appropriations for commitment are accounted for by agriculture. Social policy by contrast accounts for only 5·11 per cent; develop-

¹ For a number of particular 'lines' of expenditure in the Community Budget the amount approved is divided between appropriations (sums which may be committed to particular projects during the Budget year) and appropriations for payment (amounts which can actually be paid out of the Budget during the same year)

Mr Tugendhat, a former British Member of Parliament, has been, since January 1977, EEC Commissioner for Budget and Financial Control, Financial Institutions, Personnel and Administration. This article is based on the text of his address at the Royal Institute of International Affairs in London on 27 June 1977.

ment co-operation for 5·03 per cent; regional policy for 3·89 per cent; and research/energy/industry/and transport for 2·7 per cent.

This distribution of resources does not reflect a conviction that agriculture is more important than other areas of policy, but merely the fact that the Community has more extensive responsibilities for agriculture than for anything else. Indeed, farm price support is the one major area of policy in which action by the Community now largely replaces action by the member states. Out of total public expenditure in the Community on agriculture of 17 billion units of account, in 1976, 6 billion units of account or 37 per cent was paid for by the Community. This contrasts with, for example, regional policy, where Community expenditure accounted for only 10–15 per cent of total spending. Sir Con O'Neill has recently pointed out that British agricultural price support in the two years before entry to the EEC cost the UK taxpayer nearly £600 m. By contrast, so much is now done at Community level that the figure for 1975 and 1976 was under £100 m.

The Common Agricultural Policy forms a crucial cornerstone of the European Community, and I hope very much that it will continue to do so. But a house with only one cornerstone is unbalanced. We have to find ways of establishing others; and it will not be possible to do so if agriculture continues to pre-empt such a colossal share of total Community resources.

Annual budgetary process

But who determines the balance of the Budget and the rate at which it grows? The annual process of adopting the Budget is a complex and lengthy task reflecting the concern of the authors of the Treaty of Rome to ensure careful scrutiny and a relatively wide distribution of responsibility. At the beginning of each year the Commission considers what the broad elements of the budgetary provisions for the following year should be, and sets out its priorities in a document which is forwarded to the Council and to the European Parliament in March. Against the background of this statement of priorities, the individual directorates-general within the Commission then submit claims for their own departmental expenditure to the Budget Commissioner, who subsequently presents his own recommendations to the Commission. Once the Commission has reached agreement, it publishes the *preliminary draft Budget* which, under the new Budget timetable, is forwarded to the Council before 15 June.

The Council organs, first the Budgetary Committee and next the Permanent Representatives and the Council itself at the level of ministers, have 45 days to examine this document, and pronounce on its figures. The amended estimates, now called the *draft Budget*, are then forwarded to the European Parliament which also has 45 days (August is not

counted) for its examination. Parliament may propose changes both to *obligatory expenditure*—that is expenditure provided for under the Treaty or Acts resulting from it (mainly spending on agriculture and food aid) and also to *non-obligatory expenditure*—that is remaining expenditure, covering such items as the Regional and Social Funds and administrative and staff costs.

Next, the Budget is sent back to the Council for a second reading. At this stage the Council is able to have the last say on compulsory expenditure. When the draft Budget returns once more to the Parliament, the latter has no legal right—unless it wishes to exercise its power to reject the Budget in its entirety—to change figures for this category of expenditure. Parliament may, however, have the last say on non-obligatory expenditure (subject to the restriction that this may not be increased beyond a prescribed ceiling). Finally, the President of the European Parliament declares that the Budget has been adopted, normally around 18 or 19 December.

Since 1975, the scrutiny of the Budget has become even more thorough as a result of the use of formal 'Conciliation Procedures'. Under these procedures, an attempt is made to resolve outstanding differences arising between the Council and the Parliament by means of negotiations in a 'Conciliation Committee' consisting of representatives of both bodies. In 1977 this procedure was used three times during the passage of the Budget: during the first and second readings by the Council, and also after the second reading by the Parliament.

Agriculture's anomalous exemption

A remarkable anomaly in the budgetary procedure is the treatment of agriculture, which, as we have already seen, is the Budget's largest item. In practice, the level of agricultural spending is determined by decisions which are taken outside the main budgetary process and which are left almost entirely in the hands of the Farm Ministers of the member states meeting in the Agricultural Council, which thus, in effect, constitutes a separate and largely independent budgetary authority.

The main determinant of spending under the Common Agricultural Policy is the Annual Farm Price Review in which the Agricultural Council fixes common price levels for products covered by the CAP for the next market year. Since the level of agricultural prices largely determines both the level of production and of consumption, it also determines the cost of intervention buying, and of storing and disposing of the Community's agricultural surpluses. Yet the Price Review is usually completed in March, that is three months *after* the formal adoption of the Budget for the calendar year during which the price increases first take effect, and three months *before* the Commission concludes its draft preliminary estimates for the following year.

It is true that the Commission sends the Council its own recommendations for farm prices usually in December; and it now also attempts to give a fuller presentation of the budgetary implications of the various alternative packages which the Council subsequently considers. But after the Agricultural Ministers have reached agreement among themselves—which is usually achieved at an all-night ‘marathon’—their proposals come into immediate operation without having to be subjected to any further scrutiny whatever by other bodies, let alone a procedure as exacting as the main six-month Budget process

Major turning point

The revenue for the various Community spending policies at present comes from customs duties, agricultural levies, levies on the production and stocking of sugar and financial contributions from the member states. The customs duties and levies—as distinct from the member states’ contributions—are the Community’s own resources, the result of policies which have been completely taken over by the Community from the national authorities. These represent about 50 per cent of the Community’s total budgetary revenue. From 1 January 1978, however, it is intended that the Budget shall be financed *entirely* from own resources, with national contributions being replaced by up to 1 per cent of the VAT revenue collected in each member state.

The move to a full own-resources system will mark a major turning point in the history of the Community, making it more self-reliant and giving it, for the first time, a very limited power of taxation. But own resources will not provide the Community with a buoyant source of revenue. The VAT assessment base and the revenue from customs duties have always expanded less rapidly than the Community’s Gross National Product, and there is no reason to suppose that this trend will change. Indeed, the growth in revenue from customs duties may well be further diminished by widespread tariff dismantling

The prospect of the Community shortly reaching a ceiling with respect to the resources available to it is one of the reasons why the Commission has recently put forward proposals for an extension of its borrowing powers. The Community already borrows sums, for example through the agency of the European Investment Bank and the European Coal and Steel Community. What is now proposed—largely as a result of the work in this area of Vice-President Ortoli—is the creation of an additional Community loan instrument which would enable the Commission to use its triple A rating to borrow up to 1,000 m. European units of account (£651 m.) to finance priority Community structural investments.

However, while the acceptance by the Council of this proposal would obviously have significant repercussions for some areas of policy, the sums involved are clearly not sufficient radically to transform the Com-

munity's financial position. In the long term, therefore, other forms of revenue will have to be considered.

Need for strict spending priorities

A recent report, 'The Role of Public Finance in European Integration' produced by a group of independent experts chaired by Sir Donald MacDougall, has examined a number of possibilities including (a) a fiscal complement to the Community's regional fund subsidies in the form of a tax on investment in highly industrialized and prosperous regions; (b) a Community corporation tax; and (c) a lifting of the 1 per cent ceiling on contributions from VAT.

As the Report concedes, however, there are, at present at least, formidable obstacles—either political, administrative or both—to all these options. In the immediate future, therefore, the Community can only hope to continue to evolve if it establishes strict priorities enabling it to use its limited resources with the maximum possible effectiveness.

What this means above all else is that the Community must restrict itself to performing these necessary tasks which the nation state cannot do very well or which can better be done at Community level. There is an inevitable temptation for the Community to seize uncritically any opportunity it is offered to strengthen its political authority in relation to the member states. From a budgetary perspective in particular, it is absolutely essential that limited resources are not pointlessly squandered in an attempt to secure a Community presence in policy areas where Europe has nothing distinctive and important to offer.

Another constraint which the Community must take into account is the widespread desire in present economic circumstances to exercise tight control over all forms of public expenditure.

But while the stringent economic climate must obviously affect Community decisions, it is important not to apply precisely the same criteria to the growth of the Community Budget as to the growth of the budgets of the member states. One of the main objectives of the European Community is to relieve the load on the overburdened nation state by transferring suitable responsibilities to a supranational level. Such a transfer of responsibilities inevitably entails the relatively fast growth of the Community Budget. But it does not necessarily mean a significant increase in total Community spending at all levels. Indeed, in fields where the Community can secure policy objectives more cheaply than member states it can mean a considerable net saving. The scope which exists for increasing Community spending without significantly increasing net public expenditure is indicated in the MacDougall Report which estimates that, while the package of proposals which it recommends would add ten billion units of account to the Community Budget (a rise of about 100 per cent), it would only increase total public expenditure at all

levels of the Community by about 1 per cent as a proportion of real product.

The immediate spending priorities sought by the new Commission have been set out in the overall budgetary assessment for 1978 which was submitted to the Council in March this year, and in the statements accompanying the preliminary draft Budget, which was published in June. In these, the Commission has expressed its conviction that in present circumstances the main thrust of Community policy must be upon helping to tackle unemployment and upon remedying the Community's main economic weaknesses, in particular the growing economic divergences between its weaker and stronger members.

These priorities are reflected in the specific figures entered in the preliminary draft Budget. For example, the Commission is seeking an 88 per cent increase in expenditure on the Regional Fund which is designed directly to tackle the problem of structural imbalance within the Community. This is the first time that the Fund has been increased since its initiation in 1975; and the Commission will shortly put forward proposals to enable the Fund to be used more effectively.

A very big increase is also envisaged in payments by the Social Fund, the primary purpose of which is to assist with the problem of unemployment. Social Fund commitments have been rising in recent years, but the rate of actual payment has lagged behind, and the Commission is anxious to increase the real impact of the Fund in 1978 by increasing the credits of payment—which unlike commitment credits must be used in that year—by 242·2 per cent.

New expenditure proposals

Another area where the Commission believes that the Community's economic problems demand increased expenditure is that of industrial adjustment. It has therefore proposed an increase in spending on industrial sectoral policies for the computer and aircraft industries. The preliminary draft Budget also includes proposals for increased spending on a range of existing and new activities in energy policy. Among existing activities, the most notable are the projects for technological development in the hydrocarbon sector and for uranium exploration. Among new activities, action is proposed for the development of new sources of energy (for example coal liquefaction and geothermal energy), which are of particular importance to our prospects of reducing the Community's damaging dependence on imported oil.

A number of those proposals, most notably the expansion of the Regional Fund, will entail a transfer of resources to the Community's poorer regions and will thus contribute directly to the urgent task of trying to halt the growing divergence between the standard of living in the different member states. But it is important to emphasize that the

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Commission is not attempting to provide those living in the poorer parts of the Community with welfare handouts. Its primary purpose in transferring resources in this fashion is to enable these regions to develop a more competitive economic base, and thus to generate for themselves the prosperity which at present they so conspicuously lack. The Commission believes this is good for Europe as a whole and in the long run will help to strengthen the economies of the more prosperous as well as the weaker areas. But there is inevitably a limit to the financial burdens which can be placed on the stronger members of the Community for the benefit of the rest, and this must always be borne in mind when new expenditure proposals are put forward.

Serious deficiency

If the resources available to the European Budget are to be used wisely and to the greatest possible long-term benefit of the Community as a whole, it will be important not only to identify the appropriate guidelines for future spending, but also to ensure that the Community decision-making process is one which facilitates their application. At the moment it is possible to question that this is always so.

The most glaring deficiency in the way decisions are taken has already been referred to: the exemption of the Agricultural Price Review from the normal budgetary process. There is no doubt that this is becoming a source of increasingly widespread concern.

This year once again the Agricultural Council over-ruled the Commission's original proposals which entailed a very modest increase in expenditure; and concluded instead a settlement which will result in an increase in cost four times as great as the Commission intended. Anyone who wishes the CAP to remain a basic element of the Community should be anxious about the way in which agricultural decisions are reached. That is why I have recently made a number of speeches intended to create an awareness at the political level of the need to find ways of ensuring that agriculture is seen in the context of the Budget as a whole, and that policy in this area is formulated in the light of the just claims of other important spending programmes to a fair share of the Community's resources.

The role of direct elections

A separate institutional innovation which may also greatly assist in the attempt to make the best possible use of the Community's financial resources is the proposed introduction of direct elections to the European Parliament. As we have seen, the Parliament already has important powers in relation to the Budget. Admittedly, they are not as great in practice as they appear in theory because the ultimate sanction—the rejection of the Budget—is too extreme to be used except in the rarest circum-

stances. None the less, Parliament has done very well, even imposing its will on the Council on a number of issues. But it has been handicapped because members of national legislatures who are not elected but nominated to the European Parliament have lacked the time, and perhaps also the moral confidence, necessary to maximize that Parliament's effectiveness.

Directly elected MPs will lack neither of these attributes. And there are two reasons to welcome the increased parliamentary influence on budgetary policy which this is likely to promote. First, a directly elected Parliament will be directly representative of a very broad range of views and interests. In consequence, there is a good prospect of its evaluating issues in the round. Second, the greater determination of budgetary issues in a forum of this kind will help to secure widespread public consent for budgetary policy. The process of establishing priorities in a period of restraint is bound to entail difficult choices. These choices are more likely to be widely acceptable if—as far as possible—they reflect decisions made after full open debate in a forum possessing the legitimacy which direct elections will confer.

There will be many reasons for dismay if direct elections do not occur as planned. One of the most important will be the loss—or delayed creation—of a potent instrument of budgetary advance.

If, however, the Community does prove able to fashion the institutional instruments necessary to enable it to deploy its resources to the best advantage, then the member states may well prove very much more willing than they are at present to transfer new responsibilities and extra funds to it.

I would like to conclude by stressing that, even if such a situation arises, it will continue to be as necessary, as it is now, for the Community to eschew spending programmes in those areas of policy which the nation state is better equipped to handle. To duplicate the activities of the nation state unnecessarily, or worse, to take them over and do them less well, can only harm the Community in the eyes of its citizens. Education, for example, is an area where the Community should surely not aspire to an extensive role even if invited to play one, the preservation of civil order is another. Similarly, it will be important for the Community to continue to restrict expenditure on Administration, for the member states already possess bureaucracies potentially adequate to the task of administering almost any conceivable function for which political responsibility is likely to be transferred to Community level. In short, even if substantially enlarged, the Community Budget must, if the Community is to serve the purposes for which it is intended, remain very different from its national counterparts.

Recent trends in Brazilian foreign policy

RIORDAN ROETT AND WILLIAM PERRY

A significant change in Brazil's traditional client relationship with the United States has been accompanied by marked pragmatic efforts to diversify the country's pattern of international ties.

BRAZIL has long been regarded as a nation with substantial potential to play a significant and autonomous role at the highest level of international politics. And, during the course of the last decade, the well-known story of that nation's political stability and rapid rate of economic development seemed finally to augur the timely realization of that long-latent promise. Until recently, however, the underlying strength and real independence of the Brazilian model were arguable and, indeed, frequently argued propositions.¹ In some quarters the widely touted economic miracle of Brazil was seen as fragile and the resultant stability of the regime as ephemeral. In addition, there has persisted the widespread suspicion that, despite the trajectory of her development, Brazil would remain in some form of client relationship with the United States.

It may be deemed unfortunate that international crisis and discord are required to resolve academic debate. But it would now seem clear that the course of recent events has tended strongly to refute these two general propositions. The Brazilian economy's weathering of, and subsequent rebound from, the international recession of 1974-76 appears to confirm the considerable resiliency of the Brazilian politico-economic model. And the on-going divergence between Brasília and Washington, so manifest since the advent of the Carter Administration in January 1977, appears amply to demonstrate the indisputable intention of the Brazilian leadership to play an autonomous and ever-expanding role on the world stage.

It has long been recognized that Brazilian foreign policy is well served by its economic and political representatives overseas. In spite of the centralized nature of the regime, the professional diplomats of Itamaraty,

¹ See Albert Fishlow, 'Brazil's economic miracle' and Peter Flynn, 'The Brazilian development model: the political dimension' in *The World Today*, November 1973.

Dr Riordan Roett is Director and Mr William Perry Assistant Director of the Center of Brazilian Studies, School of Advanced International Studies, The Johns Hopkins University, Washington. An extended version of this article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik, GmbH, Bonn.

the Ministry of External Relations, and, with increasing frequency, technocrats from the various other ministries continue to make a significant contribution to the definition of the general lines of foreign policy and carry the vast bulk of the responsibility for its implementation. In recent years, the technical sophistication of all the ministries, already high, has improved steadily. And, more importantly, the confidence of these foreign policy elites to pursue independent and effective lines of policy has paralleled the nation's developmental progress.

In such varied fora as Unctad, the UN General Assembly, the Law of the Sea Conferences, the Conference on International Economic Co-operation (in Paris) and the Kingston meeting on international monetary reform, Brazilian diplomacy has made important contributions. The nation's natural advantages as well as its tendency to seek pragmatic centrist positions and eschew extreme or ideological stands have gained it important leverage and manoeuvrability. But at the same time Brazil has shown a greater propensity firmly to promote Brazilian interests independently of any preconceived patterns of alignment. Gradually discarding past tendencies towards formalism and deference, Brazilian diplomacy reflects the nation's other increased capacities and has served definitive notice of its firm intention to play a more forceful and independent role in international affairs.

Brazil and the United States

The main currents in Brazilian diplomacy are highlighted by a marked alteration in the traditional pattern of relations between Brasília and Washington. Historically, efforts to maintain a close and harmonious relationship with the United States have formed the virtually unquestioned cornerstone of Brazilian foreign policy.³ In practice, this tradition frequently involved the subordination of particular Brazilian interests to the presumed 'greater good' of retaining the goodwill and support of the United States. And although in the past this policy made considerable sense for a power in the position of Brazil, it had always been subject to criticism in some quarters both on nationalistic grounds and with regard to its true efficacy.

As Brazilian capacity has increased, however, (and as nationalism has become more pronounced even in conservative circles), there has appeared a growing tension between increasingly credible 'great power' aspirations and the deferential aspects of the traditional pro-American policy. Within both countries (but most particularly in Brazil) there remains a strong body of opinion which recognizes the inevitability of an alteration in the historical relationship but desires that this transition be

³ This relationship is often referred to as 'the unwritten alliance', a term popularized by the historian Bradford Burns in *The Unwritten Alliance Rio Branco and Brazilian-American Relations* (New York: Columbia University Press, 1966).

made gradually—with minimal resultant stress and strain. The Kissinger-Silveira accords of February 1976 remain the most tangible monument to a preference for accommodating Brazil's new status and the maintenance of fundamental co-operation between the two countries.

On the other hand, a pervasive tendency in the United States to ignore Brazil's increased international standing and the unease of liberal opinion over Brazilian political and social policies severely compromise Washington's ability to pursue a policy of accommodation. Within Brazil, national pride and the increasing urgency of specific changes in her relationship with the United States (most particularly in the economic sphere) are combining to test the patience of Brazilian authorities. To this volatile mix there has been added, over the course of the past several years, the emergence of specific differences in interest between the two nations which has produced, for the first time since 1964, a marked divergence of, and even conflict between, the policies of the Brazilian and North American Governments.

This pattern of divergence covers a broad and intricately related mix of economic, political and security issues with potentially profound implications for the evolution of the future US relationship with the emerging Brazilian power. In economic terms, the differences centre on the need of Brazil to obtain greater access to the US market, particularly for her burgeoning line of manufactured products. In the Brazilian game-plan, of course, rapid economic advance is predicated on steadily expanding export opportunities. And, given the central role of the United States in the international economy, it is difficult to imagine Brazil's continued success without marked improvement of her position in that crucial market. The enormous trade deficit presently afflicting economic relations between the two nations only heightens urgency in this regard.³

In the United States, meanwhile, the spectre of a wave of cheap foreign exports, in combination with a relatively sluggish economy, has given rise to a strong resurgence of protectionist sentiment. In particular, domestic industries (most notably shoe and textile manufacturers) have been particularly exercised over Brazilian government support of export initiatives, through loans and tax incentives, which in their view constitute an unfair and potentially fatal form of competition. Under pressure from these interests, the American Congress revived, in the Trade Law of 1974, antique legislation mandating the imposition of 'countervailing duties' against foreign products deemed to be receiving government support. This action was the subject of strong protest by the Brazilian Government (among others) and has remained an enduring source of irritation. The divergence in perspective was narrowed somewhat

³ A deficit of over \$1 billion has occurred in each of the past three years, the figure having reached almost \$1.75 billion in 1975. See 'Brazil's Trade Gap Adds to Tensions with Washington', *Latin America Economic Report*, Vol. v, No. 13, 1 April 1977, p. 51.

through the negotiations undertaken during the visit to Brazil in May 1976 of the then Treasury Secretary, William Simon. And by its recent actions in the tariff sphere even the Carter Administration has not shown itself unsympathetic to Brazilian concern.⁴ The issue, however, remains imperfectly resolved, irritating and potentially volatile. Inevitably, escalating Brazilian demands will most certainly come into conflict with increasing pressure upon the Carter Administration from both influential labour leaders and liberals who wish to link questions of trade to political, security and 'moral' issues.

In the political sphere, Brazil and the new American Administration have come into occasionally spectacular collision, particularly in the areas of nuclear proliferation and human rights. There can be little doubt that the Brazilian authorities favoured the Ford candidacy in the recent election and were deeply concerned over criticisms of Brazil voiced by Jimmy Carter during the campaign on proliferation and human rights questions. Indeed, his attack on the Secretary of State, Henry Kissinger, regarding the signature of the February 1976 consultation accords seemed to Brazilian officials to question the very basis for an accommodating and amicable policy towards Brazil. To a certain extent Brazilian fears seem to have been justified and the first months of the new Administration have been punctuated by a series of clashes over specific issues, aggravated by the often clumsy diplomacy of the inexperienced and vocal Carter team.

The latent differences between Washington and Brasília over the issue of nuclear proliferation have long been obvious. Brazil has never made any secret of her desire to retain unfettered control over her nuclear energy options and has resolutely refused to ratify the US-sponsored Nuclear Non-Proliferation Treaty. Only in 1975, however, did the increasing urgency with which the Brazilian Government was seeking to establish a viable and independent nuclear programme bring this issue to the surface. In June of that year the Brazilian Government (after apparently having been rebuffed over a similar request to Washington in the previous year) announced the signature, with West Germany, of an enormous \$4 billion deal for the transfer of nuclear technology. This arrangement included not only the purchase of nuclear power reactors but also the construction of enrichment and reprocessing facilities—thus representing the first ever transfer of the 'full nuclear cycle' to a non-nuclear state. Although rigid safeguards were included in the pact (over and above prevailing International Atomic Energy Agency standards), the United States protested strongly, seeing in the arrangement a serious breach of the non-proliferation principle and an extremely unhealthy precedent.

The Ford Administration worked behind the scenes on this delicate

⁴ See 'Carter Decision Pleases Brazilian Shoe Industry, *ibid.*, 22 April 1977, p. 59.

issue to rescind the most objectionable portions of this arrangement (especially the transfer of reprocessing technology), strengthen safeguards and ensure that a dangerous precedent was not being set. The Carter Administration, however, has 'gone public' with even more forceful initiatives, triggering a number of open clashes with the steadfastly intransigent Brazilian Government over this issue. Heavy-handed pressure, including the hasty dispatch of Under-Secretary of State Warren Christopher's notably unsuccessful mission to Brazil in March of 1977, has had no noticeable impact on the Brazilian position and, in fact, rallied almost universal public support to the Government. Washington has apparently had no better success in pressuring Bonn to renege on the deal and, at the time of writing, the only effect of the Carter initiatives has been a marked worsening of US-Brazilian relations.⁵

A collision between the two nations on the human rights issue was also almost inevitable. But it is somewhat ironic that it occurred largely as a result of Congressional initiatives taken long before the election, and at a time when the observation of basic human rights in Brazil was measurably better than at any time in the recent past. The reluctant submission by the State Department of congressionally mandated 'human rights assessments' in connexion with the debate over the military aid bill was the immediate precipitator of the issues. Although the report on Brazil was actually quite mild and even laudatory of President Geisel's efforts to revive freedoms and restrain abuses by the security apparatus (far harsher judgements of the situations in Argentina and Uruguay led to a curtailment of aid), the Brazilian Government took the view that the linkage of military aid to an American evaluation of its domestic policies was an intolerable infringement of national sovereignty. Brasília took, therefore, the rather surprising step of denouncing in early March the military aid arrangement in force since 1952 and declining any further American military aid—a precedent soon followed by half a dozen other Latin American states. Although the amount of aid was very small, particularly in relation to Brazil's present level of capacity, the symbolic aspects of the step are considerable.

The debate in the US Congress during the spring of 1977 regarding the possible linkage of US contributions to international lending institutions with acceptance of North American human rights standards may presage further difficulties between the two countries. Brazil cannot ignore the fact that she has been the major recipient of World Bank and Inter-American Development Bank loans (where she owes \$2,872 m. and \$1,559 m. respectively) and that the United States is the chief source of funds for these institutions.⁶ The Carter Administration appears to appre-

⁵ There is now speculation that the United States has, in fact, given up attempts at 'instant termination' of the deal. See 'US Shifted on Bonn-Brazil Nuclear Deal', *The Washington Post*, 10 May 1977.

⁶ 'Brazil's Trade Gap . . .', *loc. cit.*, p. 51.

ciate the enormously volatile potential of such a step (not only with regard to Brazil) and supported compromise legislation mandating US representatives to use their 'voice' but not their 'vote' against loans to nations adjudged to be violators of human rights. This issue, however, remains extremely sensitive in Congress and further tension can be expected between Brazil and the United States if sentiment there swings towards aggressive implementation of an inflexible human rights standard. Private US lending institutions, on the other hand, used the occasion of the recent visit to New York of the Brazilian Economy Minister, Mario Henrique Simonsen, to reaffirm their commitment to keep the lending policy of large international banks separate from the 'problem of human rights'.⁷

The precipitous nature of the deterioration in US-Brazilian relations obviously had caused some second thoughts in the Administration by late March 1977 and a secret personal letter from President Carter to President Geisel, sent at the end of that month, apparently conveyed word that the United States desired to pursue a more constructive line in its relations with Brazil. In addition, as mentioned, Simonsen's visit to the United States during the first week of April apparently scored successes in negotiations with major lending institutions.

Unfortunately, however, President Geisel's closure of the Congress (from 1 to 18 April) and his decree of laws aimed at perpetuating authoritarian government have intervened. At the time of writing the specific repercussions of these acts in terms of US-Brazilian relations are difficult to foresee. And in a larger sense the long-term development of a new US-Brazilian relationship predicated on the emergence of Brazil as a major factor in international relations remains an open question. The Brazilian Government has, however, served definitive notice that it is no longer tied to the United States in an essentially tutelary relationship—and that in the future Brazilian interests will have to receive the kind of handling accorded to major centres of international economic and political power.

Brazil and the international system

Contemporary Brazilian foreign policy is characterized not only by increasing divergence from its traditional relationship with the United States but also by a marked effort to diversify and universalize the country's pattern of international ties. Highly pragmatic, Brazilian diplomacy is, at present, seldom influenced by ideological considerations. Itamaraty is willing to align itself tactically with such abstractions as the 'West', the 'Third World' and 'Latin America' when some advantage is to be gained. But the bottom line is now, unquestionably, what impact each given issue will have upon concrete Brazilian interests. This pattern is evident in the political sphere but is most obvious in economic matters,

⁷ According to William Spencer, President of Citibank, *ibid.*

which will continue to comprise the central thrust of Brazilian foreign policy for the foreseeable future.

The developed states

The principal beneficiaries of Brazil's proliferating international ties are undoubtedly the developed nations of Western Europe and Japan. Western Europe has already surpassed the United States as Brazil's principal point of contact with the international economy and both West Germany and Japan are now its credible trade and investment rivals even on an individual basis.⁸ These developments are due basically to the naturally symbiotic relationship between these capital and technology-rich nations, on one hand, and Brazil's attractiveness as a resource producer and market on the other. Problems remain to be resolved, however, particularly with regard to the conflict inherent between Brazilian aspirations to become an important industrial power and protectionist tendencies in the already developed economies.

The West German-Brazilian nuclear deal is undoubtedly the most well-publicized new link with Europe and, apart from its security aspects, it obviously envisages continued rapid development of a substantial long-term economic-technological relationship between the two countries. And, although less advertised, France, Italy and even Britain have not been backward in establishing a substantially augmented economic relationship with the emerging Brazilian power. Japanese-Brazilian relations have, if anything, been even more dynamic. And, assisted by the presence of a substantial Japanese colony in the São Paulo area, trade between the two nations registered an amazing 2,200 per cent increase between 1966 and 1974.⁹

Latin America

Brazil's evolving relationship with the remainder of Latin America is composed of a more complex mixture of economic, political and security considerations. And although taking a second seat to the developed nations in the critical economic area, Brazil's immediate neighbours inevitably retain a relatively high position on the nation's diplomatic agenda. Always somewhat isolated from her small Spanish-speaking neighbours, Brazil's definitive emergence as the region's premier power has introduced new strains in the relationship.

In spite of Latin American rhetoric and an occasional economic deal, Brasília continues to remain relatively aloof from its more important

⁸ As the destination of Brazilian exports the United States has fallen from 33.2 per cent in 1967 to 16.8 per cent in 1976, with Europe and Japan as the major earners. See 'Brazil's Trade Gap', *ibid*.

⁹ William Perry, *Contemporary Brazilian Foreign Policy: The International Strategy of an Emerging Power* (Foreign Policy Papers, Vol. 1, No. 6, Beverly Hills, Ca.: Sage Publications, 1976), p. 64.

regional neighbours. With few exceptions, economic relations with these nations are of secondary importance and Itamaraty has evinced scant enthusiasm for such intra-regional schemes as the Latin American Free Trade Association (Lafta) or the new Latin American Economic System (Sela). In fact the principal focus of Brazil's activity in Latin America has been among the lesser states along her southern frontier—Bolivia, Paraguay and Uruguay. In this area Brasília has, with considerable success, been carving out a 'sphere of influence' which serves as both a 'security perimeter' and a privileged area for economic activity. Symbolic of this new situation is Brazilian involvement with Paraguay in the construction of an enormous new hydro-electric complex at Itaipu.¹⁰

This development, in combination with Argentina's anxiety at loss of parity with her traditional Brazilian rival, has given rise to considerable suspicion of Brazilian designs among many Argentines.¹¹ In addition, the possibility of a nuclear rivalry between the two nations only aggravates and augments the danger of the situation. Pressure from the United States on the human rights and nuclear issue has temporarily given pause to tensions between the two countries and generated speculation about an entente among the conservative regimes of the Southern Cone. Brazil, however, has little real interest in such an arrangement and, as she remains preoccupied with developmental initiatives, desires only to attenuate possible conflicts with her major neighbours. On the other hand, comments by the Venezuelan President, Carlos Andrés Pérez, on the human rights question have led to some bad feelings between the two most dynamic Latin American actors. In addition, authorities in Brazil remain latently suspicious of subversion emanating from Cuba or Guyana or impelled by instability in more proximate neighbours.

The Communist states

In view of the undoubtedly conservative cast of the Brazilian regime, its evolving relationship with the Communist nations is probably the best evidence of its profoundly pragmatic foreign policy orientation. Until the late 1960s, Brazil maintained only tenuous political and negligible economic contacts with any of the Communist nations. China, Cuba and several of the East European states were not recognized diplomatically. Since that time, however, the intersection of international trends towards détente and increased confidence and diplomatic pragmatism within Brazil have notably altered that pattern.¹² Trade with the Soviet Union and the other East European states, in certain mutually beneficial areas,

¹⁰ See Riordan Roett, 'Brazil Ascendant: International Relations and Geopolitics in the Late 20th Century', *Journal of International Affairs*, Vol. 29, No. 2, Fall 1975, pp. 150-1.

¹¹ See H. Jon Rosenbaum, 'Argentine-Brazilian relations: a critical juncture', *The World Today*, December 1973.

¹² William Perry, *op cit*, pp. 68-75.

has risen to significant, but still secondary, levels—a situation that promises to persist for the foreseeable future. In addition, the establishment of diplomatic relations with Communist China in August 1974 opened long-term prospects of some economic dealings with that nation.

Certain difficulties, however, of both an economic and political nature, continue to burden the Brazilian relationship with the Communist states. Economically, problems with convertibility and the lack of demand for Communist goods in Brazil place severe restrictions on the upper limits of trade. In addition, there remain residual security-political fears among the Brazilian elite regarding ties with Communist states. Brasília still refuses to consider the establishment of diplomatic relations with Cuba, and the perceptions of exogenous support for any 'subversive activities' in Brazil would have the most baneful consequences on relations with the (presumably Communist) offender. There may also be a latent conflict between the opportunistic political policy currently being pursued in Africa and the ultimate requirements of Brazilian security. Brasília's prompt recognition of the MPLA Government in Luanda in November 1975 was intended to provide Brazil with better access to the new configuration of power shaping in southern Africa. Ultimately, however, this very process may have seriously negative implications for Brazil's emerging security designs in the South Atlantic.

The Third World

Brazil's efforts to universalize her international contacts and establish, through pragmatic diplomacy, a strong and independent position in international affairs are also manifest in her relations with the developing world. In this area prospects for new markets, the possibilities of co-operation vis-à-vis the developing world and the question of petroleum supplies are highest on the agenda. In most cases the markets of the Afro-Asian states possess relatively little hope of absorbing Brazil's enormous productive capacity and, in any event, are often frequently pre-empted by established industrial powers. In spite of these facts Brazilian diplomacy is doing its best to establish political and economic footholds that might be exploited in the future.

Of more immediate consequence are co-operative initiatives with the developing states aimed at securing aid and trade concessions from the industrial world. As mentioned previously, Brazil pursues an active but pragmatic line at various multilateral fora and also in various producer organizations in which she maintains membership (most notably with regard to coffee and sugar). But at present, as opposed to the tendency during the Quadros-Goulart years, the Brazilian position is tactical and not ideological. The intent now is not simply to achieve leadership of the Third World but rather to employ ties with these nations as a lever to achieve Brazil's definitive elevation to the status of a developed nation.

In fact, Brazil is already no longer a typical developing state and the prospects are for increasing divergence of interest with the Third World as the nation's position continues to improve.

The question of oil is, at present, the most critical and unsatisfactory aspect of Brazil's relations with the Third World (if, indeed, the oil-producing states may still be considered members of this now utterly heterogeneous group). Since Brazil must, in spite of continuing efforts to augment domestic energy sources, import 80 per cent of her rapidly burgeoning petroleum needs, the high cost of oil is now the principal stumbling block to the nation's rapid development. Up to the present neither opportunistic and controversial political initiatives (such as the November 1975 UN vote condemning Zionism as a 'form of racism') nor strenuous efforts in the economic sphere have succeeded in reaching a satisfactory accommodation with the important oil-producing states. Venezuelan oil is largely earmarked for the US market while the Brazilian diplomacy has thus far been unsuccessful in marketing products to the Arabs (as a means of offsetting the enormous trade balance) or attracting Arab investments. Efforts are continuing, however, and some offer considerable prospects of success. Joint ventures between Petrobrás and the Arab nations, for example, have resulted in oil strikes in Iraq and Algeria —of which Brazilian industry will no doubt receive its share. In addition, a recent arrangement switching a substantial share of Brazilian oil purchases to Iran in exchange for large purchases of Brazilian goods offers another hopeful avenue. Regardless of these small successes, however, Brazilian diplomacy will face, in its continuing search for affordable oil and petro-dollar investments, one of its most challenging and critical tests

Both the process of national development and the course of international events are tortuous and uncertain. And with an eye to Brazil's erratic history, analysis of too recent events, much less prediction of the future, is inevitably a hazardous proposition. The vast majority of qualified observers, however, concur that Brazil possesses the undeniable potential to play a substantial and independent international role. Most would also agree that substantial progress has been made towards this goal over the course of the last decade, but disagreement is quite possible over the interpretation of more recent events. Persistent economic difficulties and the emergence of strong differences with a power as influential as the United States may reasonably be seen as obstacles to the realization of the Brazilian potential. But, on the other hand, the surmounting of the former and the sustaining of the latter may well be symptoms of the fact that such realization is finally at hand.

Realities of the Ethiopian revolution

COLIN LEGUM

The Russians are gambling for high stakes in the Horn of Africa at a time when the internal conflicts in the area are changing the former power balance.

ETHIOPIA's future will be determined more crucially by the forces of foreign intervention—as happened in Spain in the 1930s—than by the forces engaged in the country's internal power struggle. There are some other interesting parallels with the Spanish civil war. For example, Basque separatism finds its echo in Eritrean separatism as well as in other developing separatist movements which threaten to split up the ancient Abyssinian empire into a number of succession states—and, if the worst should befall the heirs of the late Emperor Haile Selassie, could leave modern Ethiopia confined to the 'Christian' Highlands, cut off from the sea. Another parallel is the degree to which the struggle is being waged by movements engaging regional loyalties—with the Eritreans, Tigreans, Afars, Oromos (formerly known as Gallas), Somalis and Wollegians rallying behind their local leaders as did the Catalonians, Basques and others.

Another sinister parallel is the murderous conflict between rival ideologists attempting to capture the revolution for their own particular brand of the 'true Leninist faith'. Just as the loyal Comintern Marxists of Spain fought the POUM (as well as the anarchists) as bitterly as they did the Falangists, so too the rival Ethiopian Marxists spend much of their effort in assassinating each other. But, here, the useful analogies between the two situations end.

In Ethiopia there is not just one civil war but a series of simultaneous civil wars—with the Oromos fighting against Amharas, especially Shoans; the Eritreans and a sizeable number of Ogaden Somalis fighting against the 'Ethiopians'; and the Tigreans fighting to reassert their former autonomy (though not yet a separate state) which they lost after the defeat of the Gondar Kings and the rise of Menelik's Shoan dynasty at the end of the nineteenth century. And even within the ranks of the

Mr Legum is Associate Editor of *The Observer* (London) and editor of *Africa Contemporary Record*. His publications include *Congo Disaster* (Harmondsworth, Penguin, 1961); *Pan-Africanism* (London: Pall Mall Press, 1962; New York: Praeger, 1965); *South Africa: Crisis for the West* (London: Pall Mall Press, 1964); *Ethiopia: the Fall of Haile Selassie's Empire* (London: Rex Collings, 1975). This article is based on a lecture recently given at Chatham House.

Eritreans there is the frightening possibility of a civil war among the rival movements. At one time the source of their suspicions was Christian fears of Muslim domination, but these have since been transformed into non-religious issues arising from the presence of two armies fighting for control in an independent Eritrea while both engage in war against the Ethiopians.

Unlike Spain, though, there is no Franco or counter-revolutionary Falangist movement—notwithstanding the mythology of the Addis Ababa rulers who seek to portray the struggle as between a ‘progressive revolutionary regime’ and a ‘feudalist counter-revolutionary movement which forms part of an international reactionary conspiracy.’ Not only have the landlords and other remnants of feudalism been destroyed as an effective force, but when one comes to examine the nature of the internal and external forces arrayed against the Provisional Military Administrative Committee (PMAC), better known as the Dergue, it is immediately clear how shallow their claims are.

Origins of the revolution

The Dergue began as a democratic movement within the armed and police forces, with three members elected to represent the junior officers, non-commissioned officers and other ranks from each of the 40 units which make up Ethiopia’s security forces. Its initial aim in early 1974 was to press for reforms against the failing Emperor; but the swift decline of his power and the widespread upheaval of protest against the feudal imperial system left the country leaderless and with a yawning power vacuum at the centre, which the Dergue has tried desperately to fill. However, the army and police were by no means united in their aims: they wanted an end of ‘feudalism’ and they rallied patriotically behind the cause of maintaining the country’s existing borders, but beyond these two objectives they had no common cause.¹

There were those who favoured the creation of a parliamentary democracy, with the army returning to its barracks; and those who favoured an indefinite period of military rule. There were those who wished to avoid the more repressive aspects of the old Emperor’s rule and who favoured the rapid establishment of the rule of law; and those who were motivated by a spirit of *revanchisme* against the old imperial establishment whose leading figures were suspected of waiting in the wings for a chance to reassert their control. Finally, there were those who favoured reaching a sensible accommodation with the Eritrean rebels as against those who saw the suppression of the 14-year-old rebellion as vital to the preservation of the country’s integrity and to safeguarding the corridors to the Red Sea.

¹ See Patrick Gilkes, ‘Ethiopia—a real revolution?’, *The World Today*, January 1975.

These conflicting views produced a power struggle inside the Dergue in the middle of 1974 and early 1975 which resulted in a series of purges that progressively narrowed the base of power of the victors. What began as a popular reform movement with considerable support throughout the country (except for Eritrea) turned into a tyranny. The liberties and embryonic democratic institutions that had just begun to take shallow root in the early days of military rule, with its optimistic promise of a new era after the long confinement of the feudal period, were crushed more firmly than ever before. The prisons were filled up with more political opponents than were known in the worst period of the late Emperor's rule. The best Ethiopian minds were sent to rot in jail, fled into exile or were driven into the underground. An already heavily armed peasantry was given even more weapons to fight the 'counter-revolution'. The war against the Eritreans was intensified to a degree that seems to have permanently embittered the whole of the dissident province's inhabitants. The economy steadily declined, despite record earnings from coffee. Formerly loyal tribes, like the Afars, so crucial to the defence of Ethiopia's access through the lowlands to the sea, were driven into armed rebellion. Anarchy took over in the provinces as the centralizing power of the Dergue grew weaker, leaving the countryside largely in the hands of bands of armed men—some led by landlords, many more led by armed peasants in revolt against their landlords as well as against the Dergue, and some led by either Marxist or nationalist forces. Ethiopia soon came to resemble earlier periods in the history of the older Abyssinia before Menelik had broken the power of the Rases. Even the one genuinely revolutionary change made by the Dergue—land nationalization—was carried out so clumsily that, except in the southern provinces of the Oromos, peasants and townsmen became antagonized.

All this would have been serious enough without the alienation of all the Dergue's neighbours (except for Kenya), and the loss of most of Ethiopia's support in the rest of Africa which the shrewd Emperor had so successfully garnered. By early 1977, the victor of the power struggles within the Dergue, Colonel Mengistu Haile Mariam, lamented: 'In our region, mother Ethiopia does not have any revolutionary friend except for the People's Democratic Republic of the Yemen (PDRY, formerly Aden).' Nevertheless, although isolated in North-East Africa, the Dergue did acquire a few important foreign friends—the Soviet bloc, Cuba and Libya. But, in the process, it had lost the formerly popular base of the revolution itself, and it had incurred the active hostility of the Sudan and of its older enemy, Somalia, as well as of the Arab world, except for Libya and the PDRY.

The Marxist rivals

Ethiopia's Marxist revolution was not in fact planned by Colonel

Mengistu Haile Mariam and the dominant group of military rulers who had emerged from the bloody killings within the Dergue. None of the present military rulers had begun as Marxists; indeed, those few soldiers who had been Marxists at the beginning of the military takeover have all since been purged. Mengistu's Marxist revolution was called out as a means of defending the collapsing power of the Dergue at a time when the country was drifting into chaos.

The revolution itself was proclaimed in defiance of two cardinal teachings in Marxist strategy. First, that military rule is not a reliable instrument for genuine revolutionary change; and, second, that a successful revolution requires a vanguard of trained Marxist cadres. It was over these two cardinal issues that the small, but influential, Ethiopian Marxist movement split. One group—led by a former Sorbonne student and youth leader in exile, Haile Fida, and the son of one of the Emperor's former generals, Fikre Merid (since assassinated)—saw the military regime as the only effective instrument for their revolution; this led to their acceptance as the trusted ideological advisers to the politically unschooled Mengistu and his cell of supporters within the Dergue. A second group—the Ethiopian People's Revolutionary Party (EPRP)—attacked this support for the military regime as 'adventurism'; they argued that there were no short cuts to a genuinely democratic revolution, and they stood out for a return to civilian rule and a period of parliamentary government as essential to the development of vanguard revolutionary cadres.

The EPRP are now the most bitterly hated enemy of the 'Fidaists' (named after Haile Fida), and are assailed along with all the other opponents of the regime as 'counter-revolutionaries'. Over the past nine months there have been nightly killings and IRA-style 'knee-capping' by the EPRP of the Fidaists in the capital, and even more extensive killings and arrests by the Dergue of EPRP supporters. There are reports of an entire family of young Ethiopians being lined up against a wall and shot, and of youngsters of 12, who have been caught distributing clandestine leaflets, being summarily executed. The Marxists at war show as much bitterness and cruelty towards each other as is to be found in any other kind of civil war.

The EPRP is not the only Marxist opposition movement. The Tigre People's Liberation Front (TPLF) leads one of the armed rebel movements in the northern provinces, drawing its support mainly from the provincial urban elites. Both the major Eritrean liberation movements are led by men who describe themselves as Marxist-Leninists, although neither the Eritrean People's Liberation Front (EPLF) nor the Eritrean Liberation Front (ELF) can yet be properly described as Marxist. Another much smaller force, the Ethiopian Revolutionary Army (ERA), operates in the north. The Oromo National Liberation Front, whose

support lies with the 'Gallas', is also led by Marxist-Leninists. However, the major Oromo opposition movements—in Bale, Kaffa, Gemu-Gofa, Sidamo, Arussi, Illulabor and Wollega—are led mainly by ethnocentric nationalist leaders who want to break the old domination of the Amharas. The West Somali Liberation Front (WSLF), which operates in the Hararghe province, but mainly in the Ogaden area, enjoys the open backing of Somalia—which proclaims itself to be a Marxist-Leninist regime.

Non-Marxist opposition

The major non-Marxist opposition to the Dergue is the Ethiopian Democratic Union (EDU). It operates as an umbrella organization that seeks to unify all the military regime's challengers behind a patriotic national platform promising a Constituent Assembly which will draw up a new constitution for Ethiopia. Although frequently labelled as 'royalist and reactionary', the EDU is neither. It has no contact with the royal family in exile. While it has not declared itself against the restoration of a king, the reason it gives is that Ethiopians must democratically decide their own future constitution without any of the major issues having been prejudged. However, it favours a federal system which will allow for the creation of autonomous provinces; but, because it is opposed to secession, it is regarded with suspicion by the Eritreans.

The EDU's chairman is General Iyassu Mengesha, a former Ethiopian Chief of Military Staff, and, later, Ambassador to the Court of St James. He opted for this diplomatic appointment because of his disagreement with the Emperor's policies. Its best-known military leader is Lieutenant-General Nega Tegegne, who is married to one of the Emperor's granddaughters. Two of its other prominent supporters are Ras Mengesha Seyoum, the Tigrean descendant of King Johannes, and Sultan Ali Mirre, the leader of the Afar Liberation Front. It is easy to see why a superficial impression of these leaders should lead to the conclusion that they are members of the old 'reactionary guard'. In fact, all are more properly described as progressive nationalists; none favours the return to feudalism. Even the old feudal Afar Sultan, now a very old man and in exile in Saudi Arabia, is less likely to be a force of influence in the future than his American university graduate heir who lives in exile in Somalia. Among the supporters of the EDU one finds a majority of the younger Ethiopians who had at first hailed the coming of the revolution, but who later turned against its practices. The EDU's potential importance is that its numbers include Ethiopians from all the provinces, except for Eritrea.

The secessionists

Eritrea remains the deepest wound in the side of Ethiopia. It is probably much too late already to suppose that a military solution is any longer

possible for that dissident part of the country. Indeed, if it were not for the divisions between the ELF, the EPLF and the smaller Eritrean splinter movement, the Popular Liberation Front (PLF), the threat to the Ethiopian army in Eritrea would be even greater than it has already become. It is now impossible to see how Eritrea can ever be reintegrated into Ethiopia, except possibly by a confederal relationship.

Although the Ethiopian army's position is at its most parlous in Eritrea, it is also under heavy pressures in most of the other provinces. The WSLF, with Somalia's active support, is pressing hard throughout Hararghe and now sits astride the vital railway link between Addis Ababa and Djibouti. In the south-eastern border province of Bale, the forces of 'General' Guta Wacko already appear to have control. In the strategically vital northern provinces of Tigre, Simien and Begemder (along the frontiers of Sudan and Eritrea), the rival forces of the EDU and the TPLF harass the Ethiopian army which has increasing difficulty in maintaining its control in the countryside outside of the main provincial towns.

The foreign interest

All these rivals for power in the struggle to shape the future of post-imperial Ethiopia have their foreign backers. This internationalization of the conflict has plunged not only Ethiopia but the entire Horn of Africa into a crisis of historic importance. Neither the Dergue nor its multifarious opponents can any longer hope to succeed simply by relying on their local support. For the Dergue the need of effective and massive external support is now crucial.

At the beginning of the revolution, the Dergue could count on the support of the United States as its principal source of military aid. Moreover, it also had the advantage of a neutral neighbour in the Sudan. Its policies have lost it both these advantages. Washington has suspended its arms shipments, and General Nimeiry's regime in Khartoum is now openly supporting the Eritreans and the EDU. Somalia—because of her claims to the Somali-speaking border area of the Ogaden and her interest in Djibouti—has been a hostile neighbour of long standing. The Arab states (including the PDRY and Libya) have been strong supporters of the Eritrean struggle—Libya, because of her particularist interest in wishing to see the downfall of President Nimeiry, has recently switched her support to the Dergue. Although the PDRY gives public support to the Dergue, it nevertheless still allows the Eritreans to operate from Aden.

Once they had estranged Washington, the rulers in Addis Ababa were left with only two alternative sources of military aid—Peking and Moscow. Although the Chinese maintain a low-profile presence in the Horn of Africa, they are not in a mood to play super-power politics in the area—unlike the Soviet Union.

It is the Soviet factor which has now become the critical element in deciding Ethiopia's future and, with it, that of the entire area bordering on the Red Sea. For the Russians the risks involved are as great as the advantages they might hope to reap if their gamble pays off. Their earlier interest had been mainly in Somalia where, in exchange for their substantial military aid, they were given the right to important naval facilities at Berbera.

The test for the Russians' diplomacy is how to replace United States influence in Ethiopia without losing their position in Somalia. Already in 1974, Moscow began to show a tentative interest in backing the Dergue but without upsetting the Somalis. It made a critical decision in May 1976 when, reversing its previous policy of support for the Eritreans, it came out in support of the Dergue's nine-point peace plan which promised a form of autonomy to the Eritreans but which fell well short of full independence. Moscow endorsed this plan despite its having been rejected by the Eritreans as well as the Somalis.

The Soviet Union's plan to bridge the gulf between Ethiopia and Somalia was imaginative and bold. It urged Mogadishu not to feel betrayed if Soviet military aid went to the Ethiopians since, once the United States was neutralized in the area, it would be possible for the Russians to preside over a fair settlement of their territorial claims. Their offer amounted to a kind of *Pax Sovietica* over the Horn of Africa. While the desperate Dergue accepted their offer, neither the Somalis nor the Eritreans would hear of it.

The Cuban leader, Fidel Castro, weighed in with his own support for Moscow's proposals. On a visit to Mogadishu early in 1977, he advanced the simplistic view that it was unthinkable that two Marxist-Leninist regimes like those of President Siyad Barre and the Dergue should be enemies. He failed to understand why Leninism could offer no solution to the bedrock conflicts of the two neighbouring nationalisms. Although President Barre vigorously repudiated Castro's initiative, the Cuban leader nevertheless proclaimed that the Dergue was leading 'a genuine progressive revolution'. He appealed to all 'Third World revolutionaries' to help defeat the 'international reactionary conspiracy against Ethiopia'¹ — a call that was treated with icy contempt by the Somalis who, after all, are themselves a leading partner in this 'conspiracy', and who cannot be expected to treat lightly the notion of their being part of the 'reactionary camp'. The Cubans, however, followed up Castro's initiative by sending a small team of technical and military instructors to help train the 300,000 strong peasant army which the Dergue had assembled to try to win back control over the dissident provinces.

The Soviet Union, too, went ahead with its plans to supply arms to the Dergue. Although the military aid agreement reached with Col.

¹ Interview with *Afrique-Asie* (Paris), May 1977.

Mengistu Haile Mariam when he visited Moscow earlier this year has not been published, nevertheless considerable quantities of Soviet arms have begun to flow into Ethiopia. These are already being used by the Ethiopian army in Eritrea and have been distributed to the peasant army. Thus the Cuban-trained peasant army, equipped with Kalashnikov automatic weapons, began taking the field in July 1977 against the Somali-supported WSLF in the Ogaden as well as against the EDU and the TPLF in the northern provinces.

This development gives particular importance to the interview given by President Barre to the Kuwait paper, *Al-Yaqasah*, on 27 June 1977. He warned that

if it should transpire that the arms sent by the Soviet Union to Ethiopia constituted a threat to Somalia, then Somalia would take a historic decision against this armament. We would not be able to remain idle in the face of the danger of the Soviet Union's arming of Ethiopia. Despite our good relations with the Soviet Union, its outlook on Ethiopia is different from ours.

Just how different their views are is shown by the Somali President categorizing the Dergue as being 'worse than fascists . . . it is based on violence, rashness and violation of human rights.'

The present dangerous situation raises two major questions for the future. First, can the Dergue survive even with the massive military support of the Russians, and the backing of the Cubans and the Libyans? Second, can the Soviet Union pull off its gamble by retaining its important links with Somalia while at the same time arming her enemy?

Constraints on China's 'New Economic Policy'

PARRIS H. CHANG

Despite a more pragmatic approach to pressing economic problems by Mao's successors, a far-reaching revisionist line is unlikely for political reasons.

IN the wake of Mao Tse-tung's death and the purge of the radicals since the autumn of 1976, China's ship of state has been moving in a different direction. A new 'general line' in the strategy of development is gradually

Dr Chang is Professor of Political Science at the Pennsylvania State University, USA; author of *Power and Policy in China* (University Park/London: Pennsylvania State University Press, 1975) and *Radicals and Radical Ideology in China's Cultural Revolution* (New York: Research Institute on Communist Affairs, Columbia University, 1973).

emerging. The post-Mao leadership has repudiated excessive emphasis on the primary importance of politics and ideology, revolution, class struggle, egalitarianism, subjective human factors, self-reliance and 'mass democracy'—values which were closely identified with the Great Proletarian Cultural Revolution and strongly reasserted by Mao and the radicals in recent years. Instead, China's new leaders now stress stability and unity, enforce stern discipline in society, allow a freer use of material incentives, assign a greater role to expertise, rules and regulations for factory and enterprise management and imports of foreign equipment and technology, and go all out to speed up the modernization of China's agriculture, industry, national defence, and science and technology (the so-called 'four modernizations').

In substance, the new developmental strategy may not be very different from what was mapped out and promoted in 1975 by Teng Hsiao-ping—a policy which was criticized by Mao, bitterly denounced by the 'Gang of Four' and its followers and which resulted in Teng's downfall in 1976. Ironically, the Chinese leadership has been pursuing the Teng Hsiao-ping line without Teng.¹

Now that Mao is dead and the radicals are disgraced, will the new line encounter opposition? If so, what kind and from what quarters? What other constraints and difficulties exist to limit and shape the 'New Economic Policy'? These and other questions will be examined in the following pages.

Reinterpretation of Maoist tenets

One most striking task undertaken by China's post-Mao leadership to boost the national economy lies in the efforts to remove ideological constraints. In the past several months, the Chinese leadership has drastically redefined various Maoist concepts so as to legitimize what it is doing.

Take Mao's saying, 'grasping revolution, promoting production', for example. It is well known to everyone that Mao placed a great emphasis on politics: he said that 'ideology and politics are the commander, the soul', and that 'political work is the lifeblood of all economic work'; accordingly, for Mao, the relationship between revolution and production and between politics and economics was one between the key link and the subordinate links, between the commander and the commanded. It is on the basis of this Maoist principle that the radicals attacked Teng for preaching 'taking the three directives as the key link' (which means downgrading the importance of the class struggle) and for using 'four modernizations' to fan up an 'economic gale' (which means promoting economic

¹ For an analysis of Teng's rise and fall in 1973-6, see Parris H. Chang, 'Mao's last stand?' *Problems of Communism*, July-August 1976, pp. 1-17. Since this article went to press, Teng's long-awaited rehabilitation was officially announced in Peking. *The Times*, 23 July 1977.

growth at the expense of political-ideological values). In his eagerness to promote production and boost the national economy, a pragmatic Teng easily lent himself to the radicals' charge of practising the 'theory of productive forces'.

While continuing to uphold the commanding role of revolution, the new leadership now asserts that opposing the theory of productive forces does not mean giving up production, that people need food and drink, clothing and housing, and must engage in productive activities 'before they can engage in political, scientific, art and other activities', and that 'man's activity in production is the most fundamental practical activity and the determinant of all his other activities'.¹ The radicals are denounced for having 'deliberately equated the theory of productive forces with efforts to promote production' and 'brought insolent charges against other people so that no one would dare or be able to promote production'.² 'Striving for the expansion of socialist production' is now termed a 'basic task of the dictatorship of the proletariat and a glorious duty of the working class and all other labouring people'.³

Furthermore, refuting a statement made by the radicals that 'once a good job is done in revolution, production naturally will go up' (which is really not different from the Maoist quotation 'Once the class struggle is grasped, miracles are possible'), China's media now emphatically and specifically call on cadres and the people to 'establish and improve rational rules and regulations, do a better job in economic accounting, lower production costs, increase the accumulation of funds, carry out technical innovations and technical revolution, launch socialist emulation in work, raise labour productivity'.⁴

In the same vein, the radicals' explication and interpretation of other Maoist tenets has also been modified. For example, whereas the 'Gang of Four' attacked Teng for using 'four modernizations' as a 'big stick' to justify his policies, now to speed up the modernization of industry, agriculture and science and technology is termed as the necessary condition of building 'a powerful material foundation for the triumph of socialism over capitalism and for the future transition to communism'.⁵

Whereas the radicals previously denounced China's exports of oil and other raw materials as 'selling out her natural resources' and her imports of technology and equipment as 'worshiping things foreign and fawning upon foreigners', 'begging from foreign countries' and 'turning China into the imperialists' dumping ground', these transactions are now

¹ 'How the "Gang of Four" opposed socialist modernization', *Peking Review* (PR), Vol. 20, No. 11 (11 March 1977), p. 8

² 'The "Gang of Four" a scourge of the nation', PR, Vol. 19, No. 48 (26 November 1976), p. 12.

³ *ibid.*, p. 13.

⁴ *ibid.*

⁵ PR, Vol. 20, No. 11 (11 March 1977), p. 7.

defended through the manipulation of Mao's authority symbols. Exporting petroleum is hailed as a victory for Mao's policy of independence and self-reliance. Through foreign trade, it is now claimed, China has acquired needed materials and introduced some necessary equipment and technology to enhance her ability to 'build socialism independently and self-reliantly and quicken the tempo of socialist construction'.⁷ All of these are said to fully conform to Mao's teaching 'make foreign things serve China' and with the principle he advanced in his speech *On the Ten Major Relationships*: 'Learn from the strong points of all nations and all countries, learn all that is genuinely good in the political, economic, scientific and technological fields and in literature and art.'⁸

On the issue of material incentives, the prescription has also changed. When the campaign against the 'bourgeois Right' and against the capitalist roaders was in full swing in 1975-6, it was a political taboo to do anything about raising the income and improving the living conditions of the people. However, the publication of Mao's *On the Ten Major Relationships* at the beginning of 1977 has legitimized the discussions about adjusting the wages of the workers and raising the income of the peasants, in as much as he was in favour of these measures to encourage the people's 'zeal for hard work'.⁹ The 'Gang of Four' was specifically criticized for closing the rural markets, forbidding peasants to engage in sideline occupations, undermining the Party's rural policy and causing much hardship to people's livelihood.¹⁰

It should be obvious from the above that China's current leaders do not *totally* repudiate Mao's ideological legacy: they merely redefine various Maoist concepts, using his own words to justify the modification of the radical measures he favoured, but they continue to uphold his authority. To negate Mao's authority entirely could create serious problems for the polity and, particularly, for Hua Kuo-feng whose legitimacy and power rest heavily on Mao's personal imprimatur. Indeed, to defend his claim to the position of China's supreme leader, Hua has to defend Mao's memory and ideological authority; the construction of Mao's memorial hall, the publicity given to the publication of Mao's work and other activities to honour Mao's memory should be seen in this light. As Mao continues to be glorified, his legacy could impede the present leadership's efforts to boost the national economy.

It is true that, as shown above, Maoist principles can be manipulated and reinterpreted to suit the political exigencies and sanction the new line, but there is a limit beyond which various Maoist tenets cannot be

⁷ Kuo Chi, 'Foreign trade: why the "Gang of Four" created confusion', *ibid.*, Vol. 20, No. 9 (25 February 1977), p. 18.

⁸ *ibid.*

⁹ *ibid.*, Vol. 20, No. 1 (1 January 1977), pp. 14-16.

¹⁰ 'It is not permissible to undermine the Party's rural policy', *Jen-min Jih-pao* (People's Daily), 30 November 1976.

stretched. For example, Mao was on record as opposing measures such as 'san tzu yi pao' (three freedoms and one guarantee)¹¹ and dividing collective land amongst peasants for private farming to boost the economy; however much China's leadership today wishes to stimulate the peasants' incentives, it will not be able to invoke Mao to endorse such policies. As a matter of fact, these measures are explicitly forbidden and other 'capitalist tendencies' in the rural areas have continued to be criticized by the regime in recent months.¹² Thus, it seems certain that some Maoist values will continue to structure the policy alternatives mapped out by Mao's successors and to affect the parameters within which they solve problems.

Moreover, with the continuing division in the Communist Party (CCP) leadership and with differing policy preferences and priorities entertained by various leaders and groupings, individual leaders and groups are likely to take what they need from the body of Mao's writings for their own purpose. This seems inevitable particularly if Hua Kuo-feng fails to consolidate his power and establish exclusive control over the interpretation of Maoism. Even if the current leaders are not too far apart in their respective ideological convictions and policy preferences, in their struggle for power they are apt to use every kind of weapon available, including manipulation of Mao's ideological tenets, to enhance their own position and undercut their rivals. Hence, ideological constraints may continue to operate to limit whatever policies the regime tries to implement; and the constraints are more likely to circumvent a shift to the right, because the Chinese have learned by past experience that it is safer to be left than right.

Political problems

Aside from ideology, there are a host of political problems which plague the CCP leadership and affect its ability to speed up the modernization programmes. In spite of the facade of unity at the top in the aftermath of the purge of the four major radicals, the leadership is still divided, among other things, by the issues of Teng's rehabilitation, the redistribution of power and the allocation of resources (e.g. the 'guns' vs 'butter' question).

Assuming these and other issues can be resolved amicably and a greater leadership consensus emerges in the near future (which is by no means certain), the central leadership still faces the thorny problems of weeding out a large number of radicals and the supporters of the 'Four'

¹¹ This is a system which allows peasants to farm private plots as well as reclaim waste land for their own use, to engage in family sideline occupations, and to sell their produce on the free market. The guarantee refers to the responsibility of each household for certain output quotas on the public land assigned to it.

¹² Chen Yung-kuei, 'Thoroughly criticize the "Gang of Four" and bring about a new upsurge in the movement to build Tachai-type counties throughout the country', *Hungchu* (Red Flag), No. 1 (7 January) 1977, p. 65.

in the party committees at the provincial and especially local levels, and of rebuilding these leadership teams. In the past few years, party committees in many units and localities have been deadlocked or paralyzed due to conflicts between the radicals and the conservatives. As early as 1975, Teng had actually called for an overall 'rectification' aimed at a reorganization of leadership groups and a purge of cadres guilty of bourgeois factionalism (the radicals) at all levels

There is little doubt that leadership conflict and factional struggle have caused considerable economic dislocation and production losses in many units and localities; the example given by Vice-Premier Chen Yung-kuei that agricultural production in Szechuan and five other provinces 'has suffered serious disruption in the past few years'¹³ seems quite typical. Since October 1976, real or imagined 'agents' and 'sworn followers' of the 'Gang of Four' in various provinces have been removed from office. Indeed, Hua Kuo-feng has singled out the mass drive to expose and criticize the 'Four' and the campaign to strengthen the building of the Party organization as the two main tasks for the nation in 1977;¹⁴ without question these are aimed at followers of the 'Four' and other cadres with radical connexions

Here the Chinese leadership faces a serious dilemma. On the one hand, there are considerable numbers of cadres in the mass organizations and in the sub-provincial party organs who have radical ties, and they are too numerous to be purged *en masse* without further stiffening their resistance to the current leadership and causing more political disruption or further polarizing the leadership ranks. On the other hand, if large numbers of these local radical cadres are retained, the factionalism and deadlock which victimized the leadership teams at various levels and units are likely to continue and impede leadership work also in the future.

The distribution of power between the central and provincial authorities, and the tendency towards greater provincial autonomy in recent years may hamper the ability of the central leadership to implement its unified plan for economic development. As a result of the Cultural Revolution, the degree of provincial independence has grown considerably, as the political turmoil impaired much of China's central control mechanism and substantially weakened the capability of the central leader to elicit compliance from provincial authorities (most of which were dominated by military men). In the first half of the 1970s, Chou and Teng tried hard to dislodge the military from the provincial administration and to reassert central control, and their efforts had considerable success.

The trend towards recentralization may have been halted and, in some cases, reversed due to severe political conflict in 1975-6. The radical leaders' attack, for whatever reasons, on 'direct and exclusive control of

¹³ *ibid.*, p. 62

¹⁴ *ibid.*, pp. 33-5

enterprises by the ministries concerned',¹⁵ their alliance with officials in a number of provinces¹⁶ and their efforts to enlist local support¹⁷ appear to have given provincial authorities greater room for manoeuvre and undercut the ability of the centre to provide unified and coherent guidance.

Will the purge of the 'Four' now enable the centre to relax its control over the provinces? This is still difficult to assess. The fact that Hua Kuo-feng commands much less authority and prestige than Mao and Chou and lacks real national stature, and that many leaders in China are still ambivalent towards his sudden rise to prominence, may adversely affect his power to persuade. Furthermore, as the central leadership continues to be divided and the struggle for power goes on, Hua or other leaders may feel compelled to enlist the support of provincial leaders, thereby enhancing the influence of provincial forces. Those provincial leaders who seek greater autonomy now can also justify their cause on the base of Mao's *Ten Major Relationships* which favours decentralization and greater freedom for local authorities.

Since the second half of the 1960s, the Chinese leadership has had a crisis of authority, and this seems to have deepened in the past few years. The wild charges, both political and personal, levelled against large numbers of disgraced officials during the Cultural Revolution in 1966-9, during the anti-Lin Piao campaign in 1972-4 and in recent months must have severely tarnished the image of the Chinese leadership and undermined Chinese people's respect for and confidence in their leaders. As the Chinese leadership has rewritten history and changed its line so frequently and so blatantly, it cannot but suffer from a severe credibility gap; consequently, its authority and power to persuade have been eroded further.

More important, Mao's exhortation that 'rebellion is justified' and his mobilization of the Red Guards in 1966-7 to attack the Party organizations, as well as the radicals' open instigation of the revolutionaries 'to go against the tide' (i.e. to fight the Establishment)—a sanction explicitly inscribed in the 1973 Party Constitution as a Marxist principle—have had the effect of inculcating defiance against and contempt for authority in China and of further undermining the regime's ability to command compliance from the population. The numerous reports of breakdowns in law and order, bank robberies, crimes, labour strikes, lax labour discipline, social unrest and the riots in Peking and other Chinese cities are indicative of the deepening authority crisis and erosion of discipline and order in Chinese society.

¹⁵ *PR*, Vol. 19, No. 48 (26 November 1976), p. 14.

¹⁶ For example, the 'Gang of Four' allegedly directed their trusted followers in Shanghai and Liaoning to deliberately make many enterprises fuelled by coal go over to petroleum, in order to sabotage the national economic plan and undermine the policy of exporting oil. See *PR*, Vol. 20, No. 9 (25 February 1977), p. 17.

¹⁷ For example, Chiang Chung in March 1976 convened a meeting of provincial leaders from 12 provinces to promote a campaign against empiricism, *Hung Chi*, No. 12 (3 December) 1976, p. 30.

Economic constraints

Despite the desires of the Chinese leaders to move away from the Mao-inspired revolutionary radicalism and to stress economic growth, the objective conditions of the Chinese economy also structure their policy choice and place limits on their pragmatic problem-solving. The People's Liberation Army (PLA) needs and is pressing for greater modernization, as much of its weaponry is already obsolete and the gap, in both conventional and nuclear forces, between China and the Soviet Union has widened.¹⁸ It will take huge investments to substantially upgrade China's defence establishment, and that will mean diversion of resources from the civilian economy. The results of the debates in resource allocation between the PLA and the civilian sectors conducted in January–February 1977 are still unclear; nevertheless, the competition between the 'gun' and the 'butter' is quite keen and presents a difficult choice for the Chinese rulers.

The important functions played by agriculture in China's overall economic development are well known, and for two decades the Chinese leadership has experimented with various approaches to step up agricultural output. The growth rate of the past decades, over 2 per cent annually on average, falls far short of the expectations of the leaders and barely keeps up with population growth. To raise agricultural production by a faster rate will require extensive modernization of farm implements, techniques and methods which, in turn, need huge investment resources. The renewed emphasis on agricultural mechanization in recent months in the Chinese media¹⁹ suggests that an earnest attempt to modernize agricultural production is already under way.

What are the implications, if the regime does appropriate the necessary resources required for a major agricultural modernization effort? It seems that the masses of workers and peasants would have to carry the burden of the modernization costs, at least in indirect ways. That is to say, the regime would be unable significantly to raise the farm income of peasant households and increase workers' wages, if it is to meet the demands for investment in agriculture. Ideological constraints aside, the thin margins on which the Chinese economy operates may limit the capacity of the regime to use material incentives to improve productivity and for other purposes.

To accelerate industrial growth (to an average of 9 to 10 per cent annually) and overall economic development, China must continue to import capital goods and technology in the future. The question is really: How much? Whereas China's foreign trade is likely to be expanded further in the years to come, for economic reasons alone (not to mention

¹⁸ For background, see Clare Hollingworth, 'Securing China's defences', *The World Today*, December 1975.

¹⁹ See, for example, 'Mechanization: fundamental way out for agriculture', *PR*, Vol 20, No 9 (25 February 1977), pp 11–15, 26.

political-ideological and psychological pressures) and to make virtue out of necessity, the regime will have to stress 'self-reliance'.

For one thing, China has a problem with an unfavourable balance of payments in her foreign trade (approximately \$1 billion in 1974, somewhat less in 1975 and 1976); she is restricted by what she can sell abroad, and the trade deficit imposes limits on her imports. In theory, the increase in China's exports, especially of petroleum, can finance the expansion of imports in the future; in reality, however, either due to political unrest, production problems and/or quality of oil, China's exports of petroleum have not increased as fast as the projection made abroad. For instance, in 1976-7 China only exported about 10 million tons of petroleum to Japan, and the once optimistic prediction of up to 50 million tons by 1980 seems out of the question. One possible solution is for China to defer payments in imports, and indeed China did buy on short-term credits in disguised forms in some instances, however, for political and psychological reasons, China cannot accept long-term credits from the West and Japan.

Concluding remarks

While the Chinese leadership is moving away from radical Maoist values and adopting a rational, pragmatic approach to step up economic development and solve other pressing issues, it also faces conflicting political pressures and competing demands for limited resources, and remains constrained by the Maoist legacy. Consequently, barring a total de-Maoization, pragmatism will stay within bounds—perhaps not much beyond the parameters set by a resilient Mao in his 1956 treatise *Ten Major Relationships*—and a far-reaching revisionist line seems unlikely. Thus, for example, in the wake of the removal of the 'Four', tight control over the cultural and ideological spheres has been relaxed, but the thaw can only be limited, and constraints on permissible dissent will be maintained. Similarly, some material incentives would be granted to the population, but greater material rewards are unlikely as they are undesirable ideologically and unfeasible economically (given the limited resources available).

In all likelihood, the regime may adopt compromise policies in a wide range of issue-areas to fend off cross-pressures or try to 'muddle through' in order to avoid making hard choices. In any case, whereas it is possible for the regime to achieve a sustained growth in GNP at an average annual rate of 4 to 5 per cent if all things (including domestic political stability, absence of external crisis, weather) work out well (and this is a big if), the prospect for another great leap forward is slim. Chairman Mao used to say that China was confronted by many problems, but that her future would be bright. In view of present conditions, his prognosis is problematical although his diagnosis is quite correct.

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Note of the month

PROCEDURAL WRANGLES IN BELGRADE

THE Conference on Security and Co-operation in Europe has now reached the point where it must pass judgment on its own performance. Two years after signing the Final Act in Helsinki, the 35 participating states have agreed that the follow-up conference will start in Belgrade on 4 October and last until 4 December or mid-February or even longer. They did not agree easily. The preparatory talks in Belgrade were sticky and sometimes acrimonious. The officials wrangled on beyond their allotted six weeks, finishing in just over seven, when the host country insisted that the staff had to go on holiday. Moreover, the compromise on arrangements for the main conference was reached not by overcoming differences but by blurring them. East-West relations have clearly not improved. Nevertheless, the importance attached to the talks shows that the Helsinki conference is now established as a point of reference and a valuable instrument for measuring and improving behaviour.

That the balance of advantage now lies with the West has become fairly widely accepted. The Russians saw the turn of the tide during the pre-Helsinki negotiations, and as a result they lost a lot of their enthusiasm for following up the conference. The same perception took longer to seep through to Western opinion, sections of which continued to believe without reason that there had been some sort of surrender to the Soviet Union or sell-out of Eastern Europe. The notion was particularly deeply ingrained in the United States, probably because it was propagated during the election campaign. Since then, the Commission set up to monitor the agreement has announced with some surprise that there is good in Helsinki after all.

Thus the preparatory talks opened in June with the West eager to insist on a full and thorough review of implementation and a commitment to further review conferences, while the Russians, confronting a Pandora's box full of claims for human rights, wanted to slither as painlessly as possible over the record of the last two years and concentrate on amiable proposals for improving relations in the future. Ideally, according to early indications, they would probably have liked no public sessions at all and no committee work, but they did not press these points.

The nine members of the European Community opened briskly by tabling a paper endorsed, with one reservation, by the United States. It

proposed an agenda based on the wording of the Final Act but divided into three distinct items:

(g) A thorough exchange of views on the implementation of the provisions of the Final Act and of the tasks defined by the Conference on Security and Co-operation in Europe.

(II) A thorough exchange of views, in the context of the questions dealt with by the Conference on Security and Co-operation in Europe, on the deepening of mutual relations among the participating states, the improvement of security and the development of co-operation in Europe, and the development of the process of détente in the future.

(III) The definition of the appropriate modalities for the holding of other meetings.

The Nine also suggested that 'the participating states will endeavour to complete the work of the meeting within a timeframe of 12 weeks but in any event the meeting will not end until it has fulfilled its mandate, and has adopted a concluding document'.

Mr Sherer, leader of the United States delegation, called a press conference the next day to give general support but to say that from the American point of view the positions represented in this paper were not ideal: 'For instance, we would have rather not set a target date. We would prefer an open-ended conference. There are others who would prefer a termination date. This paper represents what is perhaps a workable compromise.' The reasoning among those who wanted an open end was that otherwise the Russians might be tempted to filibuster and use other delaying tactics in order to head off a proper review of implementation.

The Soviet riposte came shortly afterwards in the form of a proposal that the agenda should consist simply of the relevant paragraph of the Final Act, the wording of which is practically the same as that of the Nine's agenda but not divided into separate items. The Russians could thus claim that they were being even more faithful than the Nine to the Final Act. Nevertheless, they were rebuffed by the Nine, who argued that unless the review of implementation had an item to itself it could be avoided or swamped by proposals related to the future.

The Russians were also adamant about not agreeing to an open-ended conference. On the other hand, they quietly dropped the idea of a 'political concept' which they had been floating before the talks started. This would have been a sort of restraining pledge of good intentions designed to be invoked if the debate became uncomfortable. It looked like a resurrection of the famous preambles which caused so much trouble during the pre-Helsinki negotiations, when the Russians wanted all-embracing qualifications superimposed on the obligations of Basket III. The 'political concept' made a brief reappearance in a Romanian proposal but then faded away and was not seen again.

A compromise was then offered by the neutrals and non-aligned (or NN, as they became known), who played a very active role in the middle stages of the talks. Like the Russians, they lifted the relevant passage from the Final Act but they put some white space between the backward-looking and forward-looking parts, so that item 4 reads:

A thorough exchange of views

both on the implementation of the provisions of the Final Act and of the tasks defined by the conference,

as well as, in the context of the questions dealt with by the latter, on the deepening of their mutual relations, the improvement of security and the development of co-operation in Europe, and the development of the process of détente in the future.

This leant slightly towards the Russians, but the rest of the NN package did not. It proposed committees for each Basket and said the agenda should deal with all aspects of item 4 'in an organized way in accordance with the structure and sequence of the Final Act'. On the termination date, it said that 'every effort should be made to have the concluding document agreed upon not later than 15 December 1977. If by that date the meeting has not completed its task it continues on a weekly basis.'

The Russians seemed reasonably happy with the white space and reconciled to committees but remained adamant about refusing to agree to an open end. They stalled and dropped hints about going home. Strains began to afflict the Western camp. As the sixth week loomed up the Americans seemed ready to compromise. So were the Germans, who had all along been anxious to avoid an open clash with the Russians. The French, on the other hand, were much tougher than had been expected in the light of President Giscard's lectures to President Carter on how to conduct détente. The British and the Dutch emerged as the main hard-liners and, as the final crunch approached, Dr Owen approved a cable instructing the British delegation not to accept a termination date.

Almost at the last minute, when the talks were confronted with the gloomy prospect of having to adjourn until September, the Russians offered a compromise. Mr Vorontsov, leader of the Soviet delegation, who had alternated between smiles and fairly crude tactics, suggested that a Chairman's statement be attached to the agreement interpreting parts of the text. This was accepted.

Thus, in the agreed paper which now rules the autumn conference, item 4 has its white space and there are five committees—one for each of the three main Baskets, one for the Mediterranean, and one for follow-up, also known as Basket IV. Other working bodies may also be set up to discuss specific questions. The committees 'will deal with all aspects of item 4 of the agenda in an organized way in accordance with all the cor-

responding provisions of the Final Act'. This represents a slight weakening of the NN formula, but it is strengthened again in the Chairman's statement, which says that the working bodies 'will conduct the examination of this point of the agenda in a sequential and structured way according to the Final Act'.

The formula on the termination date is a superb exercise in deliberate ambiguity. The main text says that every effort will be made to agree to a concluding document not later than 22 December, but if this is not accomplished work will be resumed in mid-January to last until mid-February. However, it adds that 'the meeting will, in accordance with the agenda, end in any case by adopting its concluding document and by fixing the date and place of the next similar meeting'. If you then look to the Chairman's appended statement for clarification, you find this

1. In any case the meeting will adopt its concluding document, and set the date and place of the next similar meeting, before terminating its work.
2. If the subsidiary working bodies do not complete their drafting work by 16 December 1977, drafting groups will be created to assist the Plenary in the preparation of the concluding document.
3. Nothing in these decisions, or in all the other decisions adopted by the Preparatory Meeting, can prejudice the principle of consensus

This can reasonably be taken to mean that the conference cannot end until the drafting groups have finished drafting and their drafts are agreed by consensus. Thus, although nobody is likely to want to go on beyond mid-February, the principle of the open end has been lodged in the Chairman's statement

All in all, the end product is nearer Western than Soviet concepts, though there are two aspects which are not wholly satisfactory. The review of implementation will now be trammelled after 16 December by being linked to drafting, and the ambiguity about how the conference is to end could bring trouble if pressure mounts in the final phase. However, the main requirements have been met in that the conference is now committed to a full and structured review of implementation and the end can still be held open if absolutely necessary. There will be more emphasis than was expected on drafting the final document, but, if the timetable is properly used, it will provide enough time for proper discussion

Looking back, there were few surprises except perhaps the extent of engagement by the NNs and the rather low and uncertain profile of the new American Administration, which gave the impression of not having fully decided how to handle the conference. October will require a clearer line. This may not be easy to achieve. The American delegation will include members of Congress serving on the Commission on Security and Co-operation in Europe, the hybrid monitoring body which also

comprises representatives of the Executive. Some of the Congressmen may be concerned primarily with satisfying public opinion, but the delegation is an instrument of the Executive, so any personal disagreements with its position will have to be aired elsewhere. The State Department's view, as expressed by Mr Vance, is that there must be a detailed review of implementation of all Baskets but 'without polemics'. He said that the Administration had two basic objectives—to improve the relationship between states and to improve the lot of individual citizens in each of these countries.

New proposals will also be put forward by East, West and others. The Western proposals will concentrate primarily but not exclusively on humanitarian and related subjects. The Russians may renew their familiar proposals for agreeing not to use weapons first and not to admit new members to alliances (they worry about Spain), and for conferences on transport, energy and the environment. How far they will press their criticisms of Western shortcomings on human rights remains to be seen. They may be feeling too vulnerable to expose themselves or they may feel that attack is the best form of defence. In June they started from a losing position and found little support outside the circle of their most loyal allies, but they manoeuvred fairly skilfully to limit their losses and exploit differences in the Western camp. They are not likely to be any less skilful in October.

RICHARD DAVY

The industrialization of the Middle Eastern oil producers

JAMES BEDORE and LOUIS TURNER

THE Middle Eastern oil producers are a disparate group, ranging from populous, non-Arab Iran to the Arab micro-states on the Gulf such as Qatar and Oman, from traditionalist, Western-leaning Saudi Arabia to the radical (and relatively under-analysed) Iraq. These countries are, however, united in their common determination to capitalize on their oil wealth and to rise above the mass of the Less Developed Countries in one short, sharp burst of industrialization—an aim which is shared by oil producers elsewhere such as Nigeria, Venezuela, Indonesia and those of North Africa. But it is the Middle Eastern states which are leading the way, reflecting the fact that over two-thirds of the oil production of the Organization of Petroleum Exporting Countries (Opec) comes from this area.

Some of the region's largest projects are still designed to expand or prolong these countries' oil and gas production. Thus Saudi Arabia is developing crude oil productive capacity from 11·8 million barrels a day to around 16 million by 1982, and has also launched a vast gas-gathering scheme, which will cost at least some \$13–16 billion, in order to utilize a resource which is currently mostly burned. The Iranians, who now claim to have the world's largest reserves of gas, are engaged in a major project to prolong the life of their ageing oil fields by injecting gas into them. In addition to these schemes, both Saudi Arabia and Iraq are seeking to reduce their dependence on the Gulf as their major exporting artery by building pipelines to take their crude to the Mediterranean (in Iraq's case) and the Red Sea (in Saudi Arabia's). Such countries are also moving slowly into oil and gas shipping, either directly (notably Kuwait and, to a lesser extent, Iraq) or in concert with other partners (Iran with BP; the Arab states through the Arab Marine Petroleum Transport Company). In today's economic climate, none of these investments are likely to be immediately profitable, but, as with the pipeline schemes, they aim to give oil producers greater control over the exporting process.

More striking projects are those in which these countries plan to take what the Shah calls their 'noble' hydrocarbons (i.e. oil and natural gas)

Mr Bedore is a Research Assistant and Mr Turner a Research Fellow at The Royal Institute of International Affairs, London. This article, which is based on a wider study by the authors conducted under the auspices of Chatham House and funded by the Ford Foundation, appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik, GmbH, Bonn.

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and to convert them into higher-value commodities such as refined oil and petrochemical products. Some of these projects are merely concerned with meeting fast rising local demand, but as many are planned from the start with exports as their prime goal. Thus the Saudis are negotiating for the construction of at least five petrochemical complexes and three refineries aimed primarily at world markets; Iraq has two such petrochemical complexes and a refinery under consideration; Kuwait and the United Arab Emirates are talking of a couple of petrochemical plants each; Iran is swiftly expanding her already established petrochemical and refining industries with exports in mind. Most of these projects are planned as joint ventures. The Saudis are working chiefly with Western companies such as Shell, Mobil, Dow, Exxon, Texaco and Socal. The plans of Iran and Iraq rest more heavily on Japanese partners such as Mitsui, Mitsubishi and Itoh. Behind these latter companies stands the Japanese Government which, through its provision of diplomatic and financial support, is clearly demonstrating that there is a national goal to establish Japanese companies in major hydrocarbon-based projects in all three of the leading oil economies in the Middle East, Iraq, Iran and Saudi Arabia. Only in the case of the last-named country is there doubt as to the success of this strategy.

There were, for a while, high hopes in the area that its abundant oil and gas could be used as a source of cheap energy to attract energy-intensive industries such as aluminium and steel manufacturing. Some projects still remain, but in general considerably scaled down from the hopes of the early 1970s. Iran leads the way in steel and will be by far the largest steel producer in the Middle East for the foreseeable future, though not a net exporter in the 1980s at least. The Saudis are still planning a medium-sized iron-ore processing project. Bahrain is the only country in the area which has managed to get an aluminium smelter into service, an example the Saudis might eventually follow—but certainly not in the immediate future.

The final major area of 'high technology' in which these Middle Eastern states are significantly involved is the military sector. Given the continuation of the Arab-Israeli dispute, this is not entirely unexpected, but the level of spending around the Gulf has been increased even further by the example of Iran. Between 1965 and 1975, this country was vying with Israel for the doubtful honour of being the Third World's third largest importer of armaments after the two Vietnams.¹ In 1976-7, Iran's defence expenditures came to \$9.5 billion (about 45 per cent of her oil revenues) against Saudi Arabia's \$6.7 billion and Iraq's \$1.1 billion.² The Saudis still have the oil revenues to be able to shrug off

¹ Frank Barnaby, 'Arms and the Third World', *New Scientist*, 7 April 1977, p. 30-1.

² Brian B. Beckett, 'Giants in the Gulf', *Middle East International*, March 1977, p. 27.

such levels of arms spending, but it is less clear that the Iranians can. The diversion of resources of this scale to the military sector has to be at the expense of investment in other more socially productive areas.²

Weak infrastructures and other difficulties

In many ways, it is misleading to pay too much attention to the kind of technologically sophisticated projects listed above, for these countries still have much in common with their counterparts which are more unequivocally part of the less developed world. They lack a sound infrastructural base, their agricultural sectors are backward and they are short of general managerial and industrial skills. The most graphic examples of their infrastructural deficiencies were the delays of more than 90 days which ships had to suffer before unloading in Middle Eastern ports at the height of the 1974-6 boom. Though most of these glaring bottlenecks have gone, there are still enough lesser ones left to hold industrialization back. Thus, as well as contemplating (and occasionally building) high-technology, export-orientated projects, these Middle Eastern states are investing heavily in infrastructural developments such as roads, railways, electrical generation and water supply systems, as well as in numerous essential but unglamorous projects such as factories for producing bricks, cement, tyres, cloth and paper. Like other developing countries, however, they have given disproportionately little attention and investment to their agricultural sectors, with Iraq putting most effort into stopping the steady rises in food import bills. What Arab attention is turned to the food issue concentrates on the Sudan, which could potentially be a major food supplier to the Middle East and whose agricultural sector has been attracting significant investments from Arab development banks.

The concentration on infrastructural development will undoubtedly help the industrialization plans in the medium term, but for the moment these programmes are still being held back. The Saudis have found it expedient to slow the construction of their central gas-gathering system, and, although there are great hopes for their petrochemical and refining plans, no foreign partner is yet irrevocably committed to going ahead with one of these projects. The Iranians (like the Saudis) have been discreetly scaling down their ambitious steel plans, and it is confidently expected that the Sixth Five-Year Plan (1978-83) will reduce the rate of industrialization which has been seen since 1973.

One particularly serious, medium-term problem for the region is its lack of skilled manpower, which has led to widespread importation of expatriates from all parts of the globe even into relatively populous states like Iran. The political impact of this phenomenon has been clearest in

² Iran also has by far the most ambitious plans in the region for nuclear power generation.

Kuwait, where some 60 per cent of the one million population are non-Kuwaitis. The majority of these are Palestinians who are strongly represented in the senior levels of the bureaucracy, though deprived of civil rights such as the vote and subject to various forms of social discrimination. The tensions between the Palestinians and their hosts contributed their share to the atmosphere which led to the suspension of Kuwait's Constitution in 1976. The Saudis could easily come to face similar problems, given the fact that they only number some 5 or 6 million people compared with some 1.5 million expatriates in the country. However, Saudi Arabia is aware of the problem and has been taking care to see that no single national group comes to play the kind of dominant role the Palestinians have in Kuwait. In addition, the main centres of industrialization (the ports of Yanbu and Jubail) are well away from the main political centres. On the other hand, tensions certainly exist. Non-Saudi Arabs are all too aware of the privileges of their hosts, and South Korean workers actually rioted earlier this year in Jubail. In general, the problems are not yet as severe as those of Kuwait, but one is left with the feeling that Saudi policy-makers could at any time decide to slow down their plans for industrialization, for fear of the political and social impact the inevitable flood of expatriates could have on Saudi society.

Unlike the more populous states, Saudi Arabia and Kuwait do have a clear option of rejecting over-rapid industrialization in favour of investing abroad. Kuwait already has a long tradition of portfolio investment in Western economies and is now considering direct investment in projects such as an Indonesian refinery and Romanian and Spanish petrochemical complexes.⁴ Should deals such as these come off, Kuwait will combine the goals of guaranteeing markets for her crude with finding, it is hoped, profitable industrial projects to invest in which impose no direct social strain on her nationals. The Saudis have not yet gone for this kind of direct overseas investment, and it has, perhaps surprisingly, been left to Iran to adopt this strategy most spectacularly, taking significant minority holdings in both Krupp and Deutsche Babcock, entering joint venture refineries in India and South Africa, and indicating that she might join similar ventures in South Korea and Senegal. Furthermore, it looks likely that the National Iranian Oil Company will one day take a stake in a medium-sized, OECD-based competitor such as ENI, while the Shah is still keen to buy stakes in technologically orientated German companies.

Budgetary constraints

If fear of the expatriate work force is a factor behind Kuwait's relatively cautious approach to industrialization, the more populous oil pro-

⁴ *Middle East Economic Survey*, 13 June 1977, p. 1 and 27 June 1977, p. 5; *European Chemical News*, 17 June 1977, p. 47.

ducers such as Iran and Iraq are about to run into a very different barrier to their plans—straight budgetary constraints. Respected observers of the oil scene, such as the Morgan Guaranty Trust, are now starting to argue that Opec's current account surplus will peak in 1977 at around \$34 billion. A combination of increased expenditure by the Opec states and a relatively static oil market for them over the next couple of years should now see this surplus falling with each successive year until 1980 when the four Arabian peninsular states within Opec (Saudi Arabia, Kuwait, Qatar and the United Arab Emirates) will be alone in being in surplus (perhaps to the tune of \$15 billion), while the rest of Opec could be running a collective current account deficit of around \$5 billion.⁶

Iran is certainly one country which will be having some difficulty in keeping within oil revenues which, on the generous assumption of 6.5 million barrels per day exports at \$17 per barrel, should come to around \$40 billion in 1980. To live with this figure, Iran will have to limit the annual growth of her imports to around 25 per cent per annum (at current prices) for the rest of this decade when from the financial years 1972/3 to 1975/6 they were running at an average of 75 per cent per annum.⁶ Obviously, it should be possible to slow imports to a more manageable rate, but it would still seem that Iran will have to rely on the international money markets by 1980 if she is not to be forced to cut back her industrialization plans quite heavily. Already she has approached the Euro-currency market for loans, though this is a strategy which leaves Iranian policy-makers distinctly uneasy.⁷

The Saudis are at the other extreme with budgetary constraints being the least of their worries. However, we now know enough about Saudi Arabia's absorptive capacity to see how her monetary reserves could disappear. This June, the Saudi Minister of Finance and the Governor of the Saudi Arabian Monetary Agency both told the *Washington Post* that expenditures would match revenues by the end of the 1970s and that their country's monetary reserves could have vanished by the end of the 1980s.⁸ They could well be right, since their country will be under strong pressure for the rest of this decade to restrict crude production to allow more populous Opec states to win a slightly bigger share of the relatively static Opec output. Even the CIA, which takes an apocalyptic approach to the critical role that Saudi production policies will come to play for the world of the mid-1980s, does not see Saudi Arabia exporting much

⁶ Morgan Guaranty Trust, *World Financial Markets*, June 1977.

⁷ Henry E. Jakubiak and M. T. Dajani, 'Oil income and financial policies in Iran and Saudi Arabia', *Finance and Development*, December 1976, pp. 12-15. The estimates of Iran's production and the oil price in 1980 are our own, middle-of-the-road assumptions.

⁸ Iran raised a \$500 m. loan in early 1977. Three non-governmental borrowers were seeking a further total of \$350 m. by this summer.

⁹ *Middle East Economic Survey*, 6 June 1977, p. 1.

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more than 7 million barrels a day of crude in 1980,⁹ which at \$17 a barrel would bring in \$43.5 billion. Assuming a further income by then of perhaps \$5 billion from interest payments on her monetary reserves, we can expect that the country's imports will rise at 50 per cent per annum (at current prices) for the rest of this decade (they have performed better than this so far, and the development of the country's infrastructure and the capital-intensity of the next generation of major projects would further seem to make this a relatively safe assumption). In addition, the burden of Saudi Arabia's semi-obligatory role of regional super-financier will grow (the combination of loans and grants to an assortment of client states should lead to net capital outflows of between \$10-20 billion by 1980) for the country's expenditures to more than match its income. Even if our estimates prove wrong, it is clear that it is no longer realistic to think of the Saudis cutting back production to 3 million barrels a day as long as they still want to industrialize and to play the role of *primus inter pares* within the Arab world. If they choose to become a major force in world refining and petrochemical industries as well as buying peace in trouble spots like the Lebanon or, more problematically, Israel, they will increasingly have to produce crude at levels which are much closer to world needs in the 1980s than many Western pessimists now assume.¹⁰

Regional co-operation

There are other less obvious points to make about Middle Eastern industrialization. Firstly, there is consistent interest in the idea of regional, economic co-operation. There is a relatively defunct Arab Common Market which includes amongst its members Iraq and that fledgeling oil producer, Egypt; Iran has joined Turkey and Pakistan in the Regional Co-operation for Development which seeks to be a free trade area within ten years; there is talk of a Gulf Common Market, linking Saudi Arabia, Bahrain, Kuwait and Qatar.¹¹ At a different level, there are specialized agencies such as the Organization of Arab Petroleum Exporting Countries (Oapec), which has spawned the Arab Maritime Petroleum Transport Company (now easing its way into the tanker business), and the Arab Shipbuilding and Repair Company, whose dock in Bahrain will be activated this autumn. Then there is the Arab Organization for Satellite Communications, which is in the early stages of planning a pan-Arab satellite system for the early 1980s, and a number of other such attempts at joint ventures such as the Arab Investment Company and the Arab Company for Pharmaceutical Industries.

⁹ Central Intelligence Agency, *The International Energy Situation Outlook in 1985*, Washington, D.C., 1977.

¹⁰ Ted Moran has made much the same point in 'The Future OPEC wants them', *Foreign Policy*, No 25 (Winter 1976-7), pp 58-77.

¹¹ Mark Allen, 'Developing nations co-operate to foster more mutual trade and closer economic relations', *IMF Survey*, 4 July 1977, pp 211-13.

There are grounds for being extremely sceptical about the effectiveness of many of these attempts at international co-operation, but one is still struck by the politicians' continued insistence on initiating such schemes. On balance, it looks as though we should expect the effectiveness of regional co-operation to increase steadily, since there are so many obvious problems which cry out for a regional approach, for instance, pollution in the Gulf and the dangers of potential over-investment in key industries such as petrochemicals and refining. The latter problem is particularly severe since it is clear that there is going to be considerable over-capacity in the world industry of the mid-1980s.¹² It is a problem which genuinely concerns the politicians of this area, and the Arabs among them are trying to find some kind of solution through the Euro-Arab dialogue, while Iran is trying to persuade Opec to co-ordinate such investment. The Kuwaitis have been particularly keen in trying to avoid duplication of investment round the Gulf and seem to have had some initial success in persuading Oman to collaborate in a cement project and in getting most of the Arabian peninsular states to co-operate (perhaps) on a petrochemical project.¹³

Foreign share of import market

The second, not too obvious point about Middle Eastern industrialization is that no particular country or region is dominating the process, though the European countries form the single most important trading partner with the area. The United States is still a strong force (particularly in armaments) and has about one-fifth of the Saudi and Iranian markets, with Japan only just behind. West Germany has been the strongest exporter among the Europeans even if she has had problems with penetrating Saudi Arabia. As a unit, though, the EEC members took 27 per cent of the Saudi market in 1975, 36 per cent of Iraq's and 38 per cent of Iran's.¹⁴ This relatively even geographical split of the Middle Eastern market must give the oil producers confidence that there is no indispensable trading partner, if one chooses to ignore the US hold in the area of military aircraft. Conversely, it makes the American decision to resist the Arab boycott on companies involved with Israel something of a gamble should Japan and key European countries not enact similar legislation.

The notably weakest trading partners have been the East Europeans and the Soviet Union, despite the latter's geographical advantage of having a long common border with Iran and the political one of having been close to most Iraqi leaders since the early 1960s. Nevertheless, these

¹² We shall be developing our analysis of the future politics of the international markets for petrochemicals, steel and refined oil products in the October issue of *International Affairs*.

¹³ *Middle East Economic Survey*, 23 May 1977, p. 6; 27 June 1977, p. 5

¹⁴ IMF, *Directions of World Trade 1969-75*, Washington, 1976

countries contributed only 9 per cent of Iraq's imports in 1975, 4 per cent of Iran's and 1 per cent of Saudi Arabia's—a performance easily outstripped by single countries such as West Germany or Britain. On the other hand, one should not overlook the interesting economic relationship of that unlikely pair, anti-Communist Iran and the Soviet Union. Despite the former's official ideology, the country's first major steel plant was built by Russia in return for gas exports, and currently the most complex gas deal the Iranians are involved with is one in which they will pipe more gas to the Soviet Union, which will then in turn pipe a slightly lesser amount of its own gas to Czechoslovakia, West Germany, France and Austria. This triangular deal obviously calls for a great deal of mutual trust between Teheran and Moscow, which is probably given some foundation by the fact that Iran is actually the Soviet Union's second largest market after India for exports to the Third World. By world standards these remain small, but they indicate that of all the Opec states the USSR is most heavily involved with Iran.

Finally, it is worth noting that a strong Third World challenge to the established industrial powers is just starting to emerge. The South Koreans have won major civil engineering projects at the expense of Western competitors. The Indians, already as important suppliers to Iran as Italy or The Netherlands, have been awarded a contract to build a generating plant in Saudi Arabia after the authorities there had rejected all Western bids as being over-priced. Additionally, countries like India, Pakistan, South Korea, the Yemens, Lebanon and Egypt have become major suppliers of labour to the area, and the remittances sent back home by this work force will become an increasingly important factor in the economies of these countries. Already Pakistan has found it worth while to create training programmes specifically aimed at equipping her citizens for working in the Middle Eastern oil economies.

Conclusions

There are limits to what a study of industrialization strategies can tell us about the likely policies and diplomacy of this area, but one can legitimately draw some conclusions. Firstly, it looks as though all but a handful of Opec members will be under moderate-to-heavy pressure to increase their export earnings from oil by 1980. There will be physical limits on the extent to which a country like Iran can actually increase its crude production (though its gas sales will grow significantly). Therefore its interest in significantly higher oil prices will grow.

Secondly, despite its favourable geographical position, the Soviet Union is a relatively unimpressive economic partner to the region. This must surely handicap its attempts to maintain a dominant diplomatic presence in the area. An economic determinist would argue that the strongest links will come to be between Western Europe and this region.

Thirdly, there is not much doubt that the world will be critically dependent on Opec's oil by the mid-1980s (though memories of past groundless energy scares justify some scepticism about the current spate of extremely pessimistic analyses of energy markets for the coming decade), but the scene is also set for some intense diplomatic wrangles about the degree of access which regions like Western Europe will concede to the products of Opec's industrialization plans. Will dependence on Middle Eastern crude transform itself to a dependence on Middle Eastern refined oil and petrochemical products?

Finally, we are seeing the gradual emergence of a complex pattern of interdependence between the Opec members and their customers. The disputes of the 1980s will not just be about crude oil, but about the distribution of power in world financial institutions, market access for Opec's industrial products, the well-being of the numerous expatriates in the oil-producing economies, the security of the oil nations' investments in the West—as well as the perennial Arab-Israeli issue which will presumably continue to threaten the stability of the Middle East, if not the world.

Soviet policy in the Middle East: growing difficulties and changing interests

GALIA GOLAN

Moscow's declining relations with the Arab states in the area, divergences with the PLO and growing strategic interest in the Indian Ocean suggest that the Russians may be finding the Arab-Israeli conflict of reduced significance for their foreign policy given the risks and price involved.

WHEN Dr Kissinger's first attempt to negotiate an Egyptian-Israeli interim agreement failed in March 1975, the Russians undertook a major effort to co-ordinate a common position with the Arab confrontation states and the Palestine Liberation Organization (PLO), probably in anticipation of reconvening the Geneva Conference. Even as these negotiations got under way, Russia's scepticism as to the likelihood of achieving a common position was evidenced by her references, for the first time, to the need for thorough preparations before the conference could in fact be reconvened.¹ Such references became standard as the Russians indeed failed to work out a co-ordinated position with the Arab allies.² The period since this failure saw a new Syrian-Jordanian alliance, the Egyptian-Israeli Interim Agreement, the Syrian initiative on behalf of the PLO in the Security Council, cancellation of the Soviet-Egyptian Friendship and Co-operation Treaty, a serious deterioration of the situation in Lebanon to the point of a Syrian invasion and polarization of Syria and the PLO, a meeting of the Palestine National Council and the launching of a new American initiative with the new Administration in Washington. All these events were to affect Soviet relations with the Arabs concerned to varying degrees, although in fact they brought little change in the overall Soviet attitude to the Middle East negotiations or settlement in as much as they merely confirmed or intensified trends already apparent in Soviet relations with the area.

¹ Moscow domestic radio and *Pravda*, 30 March 1975, Radio Peace and Progress in Arabic, 31 March 1975, *Izvestia*, 1 April 1975. The Soviet meetings with the Arab allies took place only later, in April and early May.

² Both Mr Kosygin and Mr Gromyko referred to the lack of unity. *Pravda*, 14 May 1975 (Kosygin), *ibid*, 15 May 1975 (Gromyko).

The author is Director of the Soviet and East European Research Centre at the Hebrew University of Jerusalem. Her books include *Yom Kippur and After: the Soviet Union and the Middle East Crisis* (Cambridge: Cambridge University Press, 1977). This article is part of a larger study sponsored by the Leonard Davis Institute for International Relations at the above University.

Soviet-Egyptian relations

This was the case, for example, with Soviet-Egyptian relations, for while the Soviet reaction to the Interim Agreement was clearly negative, Moscow's dissatisfaction had been apparent for some time, primarily because of Sadat's obvious intention of negotiating through the Americans. The negotiations for the Interim Agreement entirely excluded the Russians, and the agreement itself had the added sting of providing for an American presence in Sinai.³ For all its vociferous indignation over the stationing of two hundred American technicians in the area, Moscow may well have welcomed the *principle* of super-power on-the-spot supervision, provided, of course, the Russians too participated. The Soviet stand since the war had favoured joint guarantees; it was the Americans who opposed such a presence, not only because Kissinger had hoped to exclude the Russians altogether but more basically because of the serious problems involved in any post-Vietnam American decision to station 'peace-keeping' forces abroad. The vituperative Soviet campaign against Egypt's signing of the Interim Agreement was aiming mainly, however, to block the American-Egyptian commitment to seek a similar agreement with Syria.

Soviet-Egyptian relations continued on a steady decline through the Soviet refusal, after talks in December 1975, to reschedule Egypt's military debts and to provide at least spare parts. The straw that broke the camel's back, according to President Sadat, was Moscow's refusal to permit India to send spare aircraft parts or overhaul Egyptian Russian-made aircraft in response to Egypt's request. Therefore, in March 1976 Sadat unilaterally abrogated the Soviet-Egyptian Treaty, a few weeks later cancelling the naval agreement with the Russians.⁴ Moscow had few options with regard to its own response, arms blackmail vis-à-vis Egypt having already proved unsuccessful. In the long run, Moscow probably banked on an American failure in the area, while in the short run it could not risk the type of magnanimity which might encourage others, specifically Syria, to follow Egypt's westward path. Indeed, one of Moscow's reactions was not only to criticize Sadat (and probably intensify efforts to encourage some alternative to his rule in Egypt), but also actively to seek to block any effort towards a Syrian-Egyptian rapprochement. On the other hand, the Russians did not entirely ignore the possibility of repairing the situation, particularly as Soviet-Syrian relations began to show severe signs of strain over Lebanon, and again later, when President Carter began his efforts for a settlement. In response to the latter, the Russians attempted a rapprochement with Egypt in the spring of 1977, though little has so far come of this latest move.

³ See Sam Younger, 'The Sinai Pact', *The World Today*, October 1975.

⁴ Sadat said in December 1975 that he had renewed the Soviet naval facilities until 1978, presumably an extension of the rights renewed in December 1972 (MENA, 10 December 1975).

Relations with Syria

The Soviet-Syrian relationship, never an entirely easy one, was apparently boosted by the Interim Agreement, but in fact this apparent improvement was occasioned more by Soviet fears of Syrian-American talks in the autumn of 1975 than by an identity of views. Thus, President Assad's trip to Moscow in October 1975 was the occasion of the signing of another large arms agreement, but the signs were more of Soviet acquiescence to Syrian plans rather than of a Soviet initiative to lead Syria into an aggressive position. The main Soviet interest—and line—at this time was strongly in favour of reconvening the Geneva Conference as an alternative to Kissinger's bilateral approach to Syria, but while Syria was apparently willing to reject Kissinger's overtures, she totally ignored the Geneva idea. Instead, Damascus launched an initiative to bring matters to the Security Council and specifically to focus on the Palestinian question, i.e. an attempt to alter Resolution 242, by linking it with the decision to renew the UN observer force on the Golan (due to expire at the end of November 1975) and the Palestinian issue. The Russians only reluctantly supported this initiative, given their own objections to tampering with Resolution 242, their probable reluctance to run the risk of renewed trouble on the Golan and their continued preference for a Geneva conference over UN action. The last was clear throughout the UN talks and the Security Council debate of January 1976, as the Soviet and Syrian positions showed a striking divergence on the Geneva issue.

Yet much more serious problems were to arise in Soviet-Syrian relations in connexion with the Lebanese civil war. While the Russians responded favourably to the initial Syrian mediation efforts in Lebanon, and could even be expected to welcome the increase in the influence of one of their clients over a basically pro-Western—at best neutral—state like Lebanon, the Soviet position gradually changed. The Lebanese war not only prevented a return to Arab-Israeli negotiations and complicated any co-ordination of Arab efforts—or pressures—on Israel for a return to Geneva, but it also showed signs of strengthening Syrian power to the point of encouraging still greater Syrian independence from Moscow. It was this Syrian independence, as well as the implied if not conscious community of interests between Syria and the United States in the Lebanese arena, which eventually brought matters to a head following Syria's invasion of Lebanon and support of the Christian forces there. In June and July of 1976 the Russians openly criticized the Syrians' intervention as unhelpful, even harmful, unequivocally supporting (in propaganda) the Palestinian Left's battle against the Syrian-aided Christians. The Moscow visit by the Syrian Foreign Minister, Abdul Halim Khaddam, at the beginning of July 1976 did little to help matters and, amidst continued Soviet criticism, there were rumours that the Russians

were raising obstacles regarding certain Syrian arms orders. Despite this pattern so familiar in Soviet-Egyptian relations, the Soviet Union was cautious in its criticism, possibly even encouraging the PLO leader, Yasser Arafat, to compromise so as to end the threatening Soviet rift with Syria and the most uncomfortable position created for Moscow by the Palestinian-Syrian polarization in Lebanon. Certainly the Soviet leaders were not willing to risk giving any concrete assistance to the besieged Palestinians in Lebanon, primarily because of the US and Israeli naval presence. Moreover, for all their concern over Syrian independence and even Syrian-American complicity, the Russians could have little to gain by a genuine rift with Syria. While support for the Palestinians against Syria served to improve Moscow's position with such radicals as Libya and Iraq, the cost might have involved losing its one remaining line to the Arab-Israeli conflict. Yet, even as Moscow found its way out of this specific dilemma with the close of the Lebanese war, the deterioration in Soviet-Syrian relations was symptomatic of the growing problems it encountered in preserving its position in the confrontation states of the Arab-Israeli crisis, while America's influence continued to grow. President Assad's visit to Moscow in the spring of 1977, like Moscow's invitation to Egypt to attempt a rapprochement, was designed to a large extent to counter the Americans' newest initiative and close the Soviet-Syrian rift in preparation for the possible reconvening of the Geneva Conference or similar negotiations. The Soviet Union appears to have had some success with Assad, although the underlying Syrian independence remained a problem, the Russians themselves referring to differences of opinion

Moscow and the PLO

For all the Soviet support of the Palestinians, the latter could offer little as a long-term alternative to Syria (and Egypt), particularly given Soviet preference for stable partners. Moreover, the basic differences between the Soviet Union and the PLO on a number of issues persisted. For example, although the Russians increasingly supported the Palestinians'—even the PLO's—right to participate in the Geneva Conference, they refused to support the PLO demand for a change in UN Security Council Resolution 242 to accommodate this participation. Rather, the Soviet Union urged mutual Palestinian-Israeli recognition, at least for negotiating purposes.⁵ As Soviet support for independent PLO participation in Geneva waned or rose for tactical reasons, and the Palestine National Council Session of March 1977 tied PLO participation even more explicitly to amendment (or cancellation) of Resolution 242, the effect of Moscow's championing of PLO participation was somewhat dissipated by Carter's own support of this principle.

⁵ *As-Siyassah* (Kuwait), 12 January 1976.

The Soviet position on a Palestinian state apparently remained firm, at least on the point that such a state could not replace Israel but must be created alongside her. Whether this meant an Israel within the 1947 partition lines or the 1949-67 borders remained somewhat vague. Almost all official Soviet pronouncements continued to limit themselves to 1967 in their demands for an Israeli withdrawal, and the two government statements of January and April 1976 underlined this by adding a new phrase. In specifying the three bases for a settlement (Israeli withdrawal from the territories occupied in 1967, creation of a Palestinian state, and guaranteed independence, security and inviolability of frontiers for all the states in the region), the Russians added the phrase that these three elements were 'organically interlinked'. In the April statement they even went on to spell out what each element would provide for the Arabs, the Palestinians and Israel, noting that the Arab states would get their territories back, the Palestinians their state, and Israel 'peace and security within the recognized borders'.⁶ Thus, while the Soviet Union may not have been interested *essentially* in just where the borders of Israel were located, it continued to advocate what it presented as the most realistic position. That this attitude was far from rigid, however, was evident from the existence, simultaneously, of comments on the 1947 lines. This apparent paradox probably was indicative of Moscow's desire to maintain a certain flexibility on the subject. Just as the 1967 limitation of Arab demands was often used as an inducement to Israel to agree to Soviet participation in negotiations, the references to 1947 might have been intended as a stick to this carrot. Yet, the fact that the Russians advocated the 1967 limitations even in their meetings with the Arabs, and specifically the Palestinians, suggests that this position was not only tactical but a function of a realistic approach given Israeli strength, the American commitment and the generally recognized status of Israel from 1949 onwards.⁷

The Jordanian option

In terms of developing options, the Soviet Union allotted increased attention to Jordan, particularly as Moscow's position in the confrontation states declined. Until their more serious difficulties with Syria, the Russians welcomed the Jordanian-Syrian rapprochement, apparently continuing their efforts to work out some sort of Palestinian-Jordanian

⁶ Tass, 28 April 1976. The Soviet Foreign Minister, Andrei Gromyko, described the 4 June 1967 borders as Israel's legal borders in his speech to the opening of the Geneva Conference in 1973. The Soviet Union has reiterated this specific formula only rarely since then.

⁷ For other developments in the Soviet-PLO relationship, such as the opening of the PLO office in Moscow, continued differences of opinion on terrorism and Soviet support of the Jordanian Communist Party-sponsored Palestine National Front, see Galia Golan, *The Soviet Union and the PLO* (Adelphi Paper No. 131, London: IISS, 1977).

or Palestinian-Jordanian-Syrian participation in Geneva. The continued visits to Jordan of Mr Vinogradov, head of the Soviet delegation at the Geneva Conference, presumably had something to do with this, and, even when speaking of the PLO separately in the Geneva context, the Soviet Union continued to list Jordan as a participant. Indeed, this would explain to some degree Moscow's reluctance officially to accord the PLO exclusive rights in this regard, at least in official government statements. Whatever the intentions regarding Geneva (Soviet interest in a joint Arab delegation declined when Egyptian-Syrian co-operation at Moscow's expense became likely after the Riyadh Conference of 1976), the Russians began in 1975 to see certain results from their efforts to improve relations with Jordan. A high-level Jordanian delegation visited the Soviet Union in December 1975, and in June 1976 King Hussein paid an official visit, with a great deal of accompanying Soviet publicity. Such contacts were probably designed not only to ensure a Soviet voice in whatever Middle East negotiations might focus on Jordan and, more generally, the development of options in the area, but also to strike at American influence, if possible. Thus, the Soviet Union offered an alternative air defence system as Jordan encountered difficulties in purchasing American Hawks. The Soviet offer itself, however, was so lacking in inducements (Moscow made payment and personnel demands unacceptable to Jordan) as to suggest little serious Soviet hopes of real opportunities for influence in Jordan. At the very least, the Soviet Union was not willing to pay the price, i.e. make the necessary concessions, to accomplish a significant improvement in Jordanian-Soviet relations.

Changing Soviet attitude

The reluctance regarding concessions to Jordan, combined with Moscow's more significant stubbornness with regard to Egypt's demands, suggested something of a change in the Soviet attitude towards the confrontation states since the Yom Kippur War. This area increasingly became one in which the Russians were losing their competition with the United States while their gains from the Arab-Israeli conflict diminished—both leading to a change in the Soviet attitude towards the conflict. The primary Soviet problem in the area became the decline in Moscow's control over its clients, and, therefore, over the conflict. This decline began probably as early as Sadat's advent to power in 1970 but became much more acute following the Yom Kippur War. A second factor affecting the Soviet position, however, was the rise in the Arabs' independence as a result of their growing oil revenues and the aid of the petroleum producers to the confrontation states. To this was added the growing American presence which was related, as both cause *and* effect, to the Soviet decline. These factors seriously raised the price the Soviet Union had to pay in order to remain in the confrontation states—not only in the

way of concessions to the Arabs at the cost of Soviet demands, but also in terms of the risks of confrontation with the United States. In addition to this serious decline in the Soviet ability to manipulate the crisis situation, and even to remain in the area, there was also a decline in Soviet interest. From the point of view of global strategic considerations, the long-term tendency appeared to be *away* from the specific area of the confrontation states, south-south-eastward to the Indian Ocean, as the point of potential Soviet-American sea confrontation gradually moved towards the deep waters (with the development of longer-range American submarine-launched nuclear missiles such as the Trident). Even on a short-term basis, the Soviet Union would appear to be successfully developing means of supporting its Mediterranean squadron by sea-based or long-range Soviet-based aircraft so as to reduce the need for the type of land facilities previously sought and held so tenuously in Egypt and Syria. These long-term and short-run factors would appear to have rendered the higher price the Russians have to pay to remain in the confrontation states somewhat less worth while. They have not, of course, abandoned all interest in the confrontation states or, specifically, in maintaining bases there; nor would the Mediterranean be likely to lose all its strategic value. Indeed, the Soviet Union has continued to seek some *modus vivendi* with Egypt and improved relations with Syria. Yet, given the difficulties and risks involved, plus the growing strategic interest in other areas (as well as the growing ability to maintain its presence at least in the eastern Mediterranean), the Soviet Union appears to have become less interested in drastic action or the high-cost sacrifices necessary to remain in these states.

All of this has had ramifications for the Soviet attitude towards the maintenance of the Arab-Israeli conflict itself, for as Soviet influence declined (and with it Moscow's ability to keep the conflict a controlled one), and the American involvement increased (with the accompanying augmentation of the risk of Soviet-American confrontation), Soviet chances for successful competition with the United States decreased. The optimum that the Russians could hope for (and were willing to risk) became, then, participation in a settlement of the conflict, preferably by means of a direct role both in the obtaining of such an agreement *and*, more important still, in its implementation, as a co-guarantor. Thus the Soviet Union presumably hoped to put a halt to its declining role in the area by an agreement, which could provide formal international recognition of its interests and continued presence there. Such international legitimacy, as well as the concrete role of co-guarantor, might well prove a more certain way of remaining in the area than the proven instability of the goodwill of Moscow's erstwhile clients. An agreement need not even mean the end of Soviet-American competition, but, rather, its reduction to a less dangerous level on the basis of a certain minimum of Soviet

benefits. At any rate, Soviet policy in the post-October War period, in so far as there has been a coherent policy as distinct from ad hoc reactive behaviour, was apparently aimed at a settlement with Soviet participation.

Soviet tactics, however, tended towards a number of directions, albeit designed to achieve the above goal. Primarily the Soviet Union sought to demonstrate that it was a vital party to negotiations and any settlement. Thus, it supported all the Arabs' demands, linking up with the more radical elements upon occasion both as a means of demonstrating that the Soviet Union was the only super-power willing fully to support the Arabs and, eventually, also to isolate and pressure those interested in exclusive American mediation. Similarly, this tactic was designed to present the Soviet Union as the only power capable of tempering the Arabs and even preventing war. The playing of the radical card, so to speak, through a bolstering of Soviet relations with not only the PLO but Libya and Iraq, was, therefore, a salient part of Soviet tactics, although Moscow clearly had other strategic interests in Libya and Iraq, not necessarily connected with the Arab-Israeli conflict at all. A second tactic which emerged gradually was the effort to discredit the United States—its methods, motives and behaviour. The Soviet intention was obviously to bring a halt to America's steadily improving position in the area; and, by demanding that the American step-by-step method be abandoned in favour of dealing with *all* the problems involved, the Russians hoped to re-enter the picture themselves. In fact, both these tactics went hand in hand with continued Soviet efforts for multilateral negotiations, specifically the reconvening of the Geneva Conference. While the first two tactics carried with them the risk of actually preventing negotiations or encouraging Israel and America to seek to exclude Moscow, as well as the risk of wedding the Soviet Union to positions more radical than those it in fact wished to encourage (e.g. those of the Arab 'rejection front'), Moscow sought to adjust and balance these with occasional retreats, reassurances and demonstrations of apparent willingness to concessions. Thus, even after Moscow abandoned its early support for partial agreements (having been satisfied with trying to take the credit for them) and shifted to open opposition to the Americans' efforts, the Soviet Union maintained a genuine interest in a resumption of negotiations—so long as it was to be included. This interest flagged only when it appeared that the Arabs could not come to an agreement—between themselves and with Moscow—over the fundamental issues. Nevertheless, the thrust of Soviet policy remains that of negotiations and a settlement in which Moscow would participate as a co-guarantor, rejecting even Arab initiatives which might block such a path.

The Palestinian Arab state : collision course or solution?

KEITH KYLE

WHEN at the end of last January the European Nine planned to issue a statement on the Arab-Israeli dispute they had intended to say: 'The latest developments in the Middle East offer a serious possibility for negotiations.'¹ By the time that a statement on the subject was actually published on 30 June that sentence was gone. The latest development now was the formation of a right-wing nationalist coalition in Israel by Mr Menahem Begin, who had won the 17 May election partially on the slogan of saying 'No' to the United States.

The Americans, at whose request the European statement had been postponed, worked hard for the first half of the year to make up for the loss of pace that always accompanies a presidential election. President Carter conferred with President Sadat of Egypt, President Assad of Syria and King Hussein of Jordan, the leaders of the 'confrontation states', and with Prince Fahd of Saudi Arabia. 'If we don't succeed this year in some major step towards peace,' he told a news conference on 12 April, 'it will be a long time before we can mount such a mammoth international effort again.'

In the unlikely setting of a New England town meeting in Clinton, Massachusetts, President Carter revealed that he favoured 'a Palestinian homeland', a phrase that soon passed into diplomatic usage and was endorsed by the European Heads of Government. He quickly showed that he subscribed to the broad consensus which had emerged at the United Nations in the previous autumn between the Arab confrontation states, the Soviet Union and the West Europeans: this called for the reconvening of the Geneva Conference in 1977, the reversion of Israel to her pre-1967 armistice lines (or to them with minor, mutually agreed adjustments), and the right of self-determination for the Palestinian Arabs on the West Bank and in Gaza. President Brezhnev made a speech in March calling for a permanent settlement and endorsing with it the idea of a small Palestine state, some 18·5 per cent of the area of the Palestine Mandate.²

¹ The text, leaked in *Al Ahram*, 4 February 1977, is supposed to be accurate.

² Speech to the 16th Congress of Soviet Trade Unions, 21 March 1977, BBC, *Summary of World Broadcasts*, Part 1, SU/5469/C4, 22 March 1977.

The author, a writer and broadcaster on current affairs, is Meetings Secretary at the Royal Institute of International Affairs. He is also the Convenor of the Middle East Study Group at Chatham House. The article has benefited from the Study Group's discussions, but the point of view is his own.

The new Israeli team

No one intended less to see a Palestinian state of any size than the new Israeli Prime Minister. Mr Begin, who had fought the British and the Arabs as leader of the terrorist group Irgun Zvai Leumi, had throughout the life of the state led the opposition in the Knesset. His visit to Mr Carter was billed in advance as a journey to collision. But, being both gentlemen of a certain courtliness and familiarity with the religious idiom, they easily evaded this prediction, particularly as Mr Begin portrayed himself as more than ready to sit down with the Arab States (though not the Palestinians) and the super-powers at Geneva on 10 October.³ The impression that Mr Begin gave on his return home of personal triumph and total harmony with the United States was somewhat dented, however, immediately afterwards when he announced the legalization of three unofficial Jewish settlements in the West Bank, one of them on the main road between Jerusalem and Jericho, another instalment of the *faits accomplis* designed to make the Israeli occupation of the West Bank appear irreversible.⁴ A stinging rebuke from Washington, citing the 1949 Geneva Convention that forbids changes of status in occupied territories, suggested that Mr Carter had fewer illusions than had at first appeared.

In practice, the difference between Mr Begin and his predecessors, the leaders of the Labour Alignment with whom Washington had expected to deal, is not so great as is often implied. Mr Begin believes that the West Bank is part of *Eretz Yisrael* (the land that was given to Israel) and is therefore not 'occupied' territory but 'liberated' territory. He is personally in favour of annexing it all (and the Gaza Strip) and is apparently indifferent to the demographic consequences that cause such anxiety to many Israelis, aware that straight away the Arabs would become 35.2 per cent of the population. According to a forecast published in the newspaper *Davar*, on present assumptions about rates of immigration and natural increase (which is far higher among the Arabs), the population in 1993 would be 4.1 million Jews and 3.5 million Arabs.⁵ Faced with figures such as these, the majority of members of the previous Cabinet favoured contrived schemes which stood no chance of Arab sup-

³ The Geneva Conference, with the United States and the Soviet Union as co-chairmen and Israel, Egypt, Jordan and Syria as members, met on 21 December 1973 for a day and a half with Syria absent and then adjourned. It is supposed to implement Security Council Resolutions 242 and 338, about which see Keith Kyle, 'Middle East. UN and EEC resolutions', *The World Today*, December 1973. The intention is that this conference should be reconvened.

⁴ A total of 90 Jewish settlements have been started in the occupied territories, including 45 on the West Bank, some of them in defiance of the previous Government's policy.

⁵ See Israel Kragman, *Davar*, 27 March 1977. He adds: 'The 3.5 million Arabs will have considerable influence in the political sector. ... Will a bi-national state be able to attract immigrants in search of personal liberation in a Jewish state? I do not think so.'

port for trading off the heavily populated part of the occupied West Bank with Jordan while retaining all the military advantages of a border along the River Jordan. They would have nothing to do with the Palestinians and would keep the whole of Jerusalem in Israel.⁶ It seemed a formula for Israelis to make peace with themselves rather than with the Arabs.

Although Mr Begin favours annexation, he was aware of the alarm it would cause; so he announced forthwith that there would be no move in that direction so long as the current peace negotiations continued. Since he knew that he would immediately be exposed to pressure from the United States, he persuaded Mr Moshe Dayan, the ex-general and former Labour Alignment Defence Minister, to become his Foreign Minister, at the price of expulsion from the Labour Party on whose ticket he had been elected. Mr Dayan does not believe in annexing the West Bank and Gaza, but neither has he any faith in his former colleagues' schemes for partitioning it. Instead, he has his own scheme—a horizontal partition of sovereignty. The territory would be Israeli in so far as security (and presumably Jewish settlements) were concerned; the Arab people would be Jordanian and have a large autonomy. Mr Begin has taken over the scheme with the Foreign Minister for the time being.

On 23 June, the new Israeli Prime Minister told the Zionist Executive, using a formula he had been taught by Mr Dayan, that the term 'non-negotiable' did not exist in his dictionary; he then went on to mention two points on which he felt there was a national consensus. 'First, under no condition will Israel be able to withdraw to the borders of 4 June 1967 and it will not do so. Second, under no condition will we agree to a state called Falastin [Palestine] being set up in Judaea and Samaria [the West Bank] and in Gaza.'

A Palestinian 'mini-state'

The first supporters of 'a state called Falastin' were Israeli 'doves' like Professor Aharon Cohen.⁷ They were responding to the great rise in Palestinian national consciousness that followed the 1967 war and the complete breach between the Palestine Liberation Organization (PLO) and King Hussein of Jordan in 1970–1. But while optimists thought there might be some response from the inhabitants of the occupied territories,

⁶ On 21 July 1974, the Rabin Cabinet voted down by 13 ministers to 5 a motion saying that 'Israel will conduct negotiations with . . . Palestinian factors which recognize Israel and its independence'. On 16 October 1975, Mr Yitzhak Rabin, asked whether, if the Palestine Liberation Organization gave up terrorism and recognized Israel, he would discuss with its leaders a possible Palestine state, replied 'There is in Yiddish a famous saying that "If Grandma had wheels she would be a bus" . . . Israel will not negotiate with the so-called PLO.' Louis Williams (ed.), *Military Aspects of the Israeli-Arab Conflict: an International Symposium* (Tel Aviv: University Publishing Projects, 1975), pp. 220–221.

⁷ See his *Israel and the Arab World* (London: W. H. Allen, 1970), which in the last chapter puts the case for a Palestine Arab state.

there was little expectation of support for the idea from the PLO itself until directly after the Yom Kippur War, when there appeared in successive months two articles in *The Times* by Said Hammami, the official representative of the PLO in London. He declared that: 'Many Palestinians believe that a Palestine state on the Gaza Strip and the West Bank including the Al Hammah region is a necessary part of any peace package'.⁸ While not repudiating the PLO objective of a 'democratic secular state of all Palestinians' with equal rights for Muslims, Jews and Christians, he recognized in his second article that such an ideal society could be constructed 'only if and when the two parties genuinely want it and are ready to work for it'. In the meantime, the states of Palestine and Israel must coexist.

As Hammami repeated and enlarged upon his ideas in a number of interviews and articles published elsewhere,⁹ many observers waited expectantly for word either of repudiation or of confirmation from the Chairman of the PLO, Yasser Arafat. There was not much evidence of confirmation in his speech to the United Nations General Assembly of 13 November 1974, except perhaps in a few highly cryptic phrases. But what many considered more significant was the absence of repudiation, to which, for example, the indignant commentator on the 'Voice of Palestine' radio programme from Baghdad drew critical attention.¹⁰ Hammami had, in fact, shown the draft of his original *Times* article to Arafat and he had merely stipulated that he should make clear, as indeed he did, that these were his personal views. However, the scheme of a small Palestine state had by 1975 gained widespread support among the Arab population of the West Bank, which by then had decisively turned away from King Hussein. His attempt in 1972 to launch the idea of a federation under the Crown between the East and West Banks had brought little response and in 1974 he had, at the heads of state conference at Rabat, reluctantly abandoned his claims to the West Bank and recognized the PLO as the sole representative of the Palestinians.

The Brookings framework

The 'mini-state', as it is frequently called, received a decisive boost in December 1975 by its inclusion in the findings of a group of American scholars under the auspices of the Brookings Institution. Their modest 23-page pamphlet, *Towards Peace in the Middle East*, supplied the intellectual underpinning of the Carter Administration's policy. It was a Brookings argument, formulated when Dr Kissinger was still in office,

⁸ *The Times*, 16 November and 17 December 1973.

⁹ Including the *Middle East International*, March 1975, reproduced in *New Outlook* (Tel Aviv) March–April 1975. Also long interview in *New Outlook*, October–November 1975, which appeared originally on 28 June 1975 in the Dutch paper *Trouw*.

¹⁰ BBC, *SWB*, Part 4, ME/5065/A/1, 21 November 1975.

that Mr Carter was paraphrasing when he told a gathering of news editors this year that 'Mr Kissinger's position was to deal with the Middle Eastern question in a step-by-step incremental way', whereas by contrast 'Our hope is that we can have a settlement by the participants without delay, hopefully this year, and that, once a settlement is reached, then step-by-step implementation . . . is the best way to go about it.'¹¹ One of the most striking conclusions of the Brookings group, which included Dr Zbigniew Brzezinski, now the President's national security adviser, was that there should be either a Palestine state or 'a Palestine entity voluntarily federated with Jordan'. President Carter has made it clear that he prefers the second alternative, without excluding the first (indeed *voluntary* federation seems to require willingness to accept the first if necessary).

It is easy to see why those who accept the Brookings framework as the basis of a settlement should find advantages in some form of association between the Palestine 'homeland' and Jordan. The withdrawal of Israel to her permanent boundaries by several stages, the whole process taking five to eight years, requires a carefully articulated series of standards of performance. The intention is clearly that Israel should gradually gain confidence in the Arabs' goodwill and in the effectiveness of the forms of demilitarized zone, early warning system, aerial surveillance and great-power guarantees which are designed as a substitute for the increased security she felt she gained by occupying her present territory. Many of those Israelis who do not share their Prime Minister's religious grounds for territorial claims believe with General Mordechai Gur, the Army Chief of Staff, that, with the change to electronic warfare, 'I do not think that anybody can deny the fact that to defend Israel in the pre-1967 borders is almost impossible.'¹² And Mr Begin brought with him to Washington for Mr Carter a map of the pre-1967 borders showing that at one point Arab territory came within nine miles of cutting Israel in two. Early warning systems, General Gur said, 'require a certain dimension of terrain to give a certain amount of time, and here we speak of seconds'. Eighty per cent of Israel's population live in three cities, Jerusalem, Tel Aviv and Haifa, and there has always been great dread of their coming within artillery or missile range. To guarantee that this is impossible, at any rate as the result of Israeli withdrawal, it is probable that the whole of the West Bank will have to be made a demilitarized zone.

The implications of this procedure, if Arab Palestine is to be an independent state, are obvious and severe. The territory is small to start

¹¹ Interview given to a group of news editors and directors, in *New US Foreign Policy Perspectives*, USIS, 24 June 1977.

¹² In Louis Williams (ed.), *op. cit.*, p. 204. But General Gur also said here and more recently that a 'dramatic political change' might alter his assessment.

with and it would be difficult to organize as a new, independent state when an occupying army is only gradually releasing it. Also, it would mean that the whole of Arab Palestine would have to become a demilitarized state.¹³ It would, nevertheless, need a strong semi-militarized police force to maintain law and order and to ensure the security of the long frontier with Israel. Moreover, if the PLO accepts the small Palestine state, there is bound to be a split in its ranks and some Palestinians, supporters of the Rejection Front, will doubtless attempt to wreck any settlement with Israel. It may well seem more convenient for a single military force, the Jordanian, with its quarters on the East Bank, to leave its tanks and offensive guns at the line of the river and patrol the West Bank together with the strengthened UN forces, including possibly British and French troops, whose task it would be to enforce the various security agreements. On the other hand, the Bedouin troops of King Hussein would probably be the least acceptable part of his regime to the Palestinians. No doubt a local Palestinian police force could be raised from ex-guerrillas and trained but it would take time to win the confidence of its Israeli opposite numbers.

Alternative proposal

An alternative procedure is being suggested at a London seminar being held at the end of September.¹⁴ According to its working paper, instead of Israel retreating gradually over a long period from the West Bank, which it is said 'seems to open an invitation to anyone on either side who wants to sabotage peace', she should do so in a matter of months (as suggested by the Soviet Union) but in favour of a temporary international trusteeship. This would allow for a cooling off period, after which elections would be organized and the territory would be handed over to the resulting Palestinian Government when that Government had agreed to enter into mutual recognition with Israel. This would have the advantage of sidestepping the issue of mutual recognition of Israel and the PLO as such. On the other hand, it would impose quite a substantial security task on the 'trustees' and would expect Israel to withdraw completely in advance of receiving any recognition by the Palestinians. It might involve the trustees, also, in the embarrassment of having on their hands a properly elected Palestinian Government which refused to recognize Israel. Nevertheless, according to the international edition of the *Jerusalem Post* of 16 August 1977, a proposal on somewhat similar lines was

¹³ For these and related issues, see Ariel Ginay, 'Dangers of the new Arab strategy', *Yediot Aharonot*, 7 January 1977. He also discusses fears that 'a Palestine state might become a Soviet base' and that 'links' with Jordan, as favoured by President Sadat, would amount to no more than 'the triple federation of Egypt, Syria and Libya which was declared five years ago'.

¹⁴ By the British Section of the Parliamentary Association for Euro-Arab Co-operation.

presented to Mr Cyrus Vance, the American Secretary of State, during his visit to Israel in August by some West Bank Palestinian notables at a reception given at his home by Mr Dayan.

But the coexistence of Palestine and Israel can scarcely be managed by mere recognition. The Arabs make much of the distinction between acknowledging Israel's right to exist and the opening of diplomatic relations, which they are extremely reluctant to do. But the nature of any settlement between Israel and Arab Palestine will surely demand close day-to-day co-operation. The two parts of the Palestine state, Gaza and the West Bank, can only be joined by an Arab highway over Israeli territory. Even more complex is the problem of Jerusalem. It will be exceedingly difficult for Israel to give up any part of that city. On the other hand, it is difficult to the point of being inconceivable to imagine the Arabs abandoning all of it in a final settlement. The one point on which all are agreed is that the city is not again to be physically divided; there would therefore have to be 'open borders' within it. There might be some detailed changes of boundary but a section of East Jerusalem would have to go to the Palestine state; the old walled city with its Holy Places of three religions would be best placed under permanent UN trusteeship. This done, the recognition of West Jerusalem as the Israeli capital, so long withheld by the Powers, could take place. The resulting administration of the city would call for a degree of subtle collaboration unlikely to occur between two countries without regular diplomatic relations.

From the Palestinian point of view, once the pre-1967 borders were recognized, Israel would end up with over 80 per cent of the land of Palestine as compared with the 54 per cent she was awarded in the 1947 UN partition scheme. Under these circumstances, the Palestinian Arab would not readily agree to abandon his full rights under General Assembly Resolution 194 (II) of 11 December 1948. This resolution, which has been reaffirmed 28 times, provides that those refugees willing to return home and live in peace should be allowed to do so and that those who prefer not to return should be compensated for their property. To the Israelis, to be asked to agree to a Palestine state and even then not to have the Arab claims under Resolution 194 extinguished must seem the last straw. The 'dovish' Israel Council for Israel-Palestine Peace says in its manifesto that only a 'reasonable and agreed number' should be absorbed in Israel.¹⁸

One compromise suggestion put forward by a former UN refugee official, Mr John Reddaway, the director of the Council for the Advancement of Arab-British Understanding, is frankly designed to recognize the Arabs' right but to make the process of return 'so protracted and so

¹⁸ From the advertisement published on 10 June 1975 on the foundation of the Israel Council for Israel-Palestine Peace, *New Outlook*, July-August 1975.

hedged about with conditions as to make it virtually certain that there would be no mass return'.¹⁶ There would be a maximum rate of repatriation of 20,000 a year for ten years; the refugees would have to return as complete families and accept resettlement in areas chosen by the Israeli Government. All refugees having received generous financial compensation would be encouraged to settle down in the Palestine state or elsewhere.

Ambiguous Palestinian position

After any discussion of these issues one is left aware of a paradox—the Arab-Israeli dispute seems to have come tantalizingly nearer a final settlement than ever before; yet, if the two parties who are at the core of the dispute, the Palestinians and the Israelis, are not willing to join in, then any analysis of the terms becomes academic or at any rate long-term.

It is believed that Yasser Arafat, the Chairman of the Palestine Liberation Organization, is in favour of the small Palestine solution. The reasons for this belief include his evident approval for Hammami's initiative and the fact that he has allowed other officials, Sabri Jiryis and Isam Sartawi, to meet Israelis from the Israel Council for Israel-Palestine Peace.¹⁷ President Sadat has assured Mr Carter that Mr Arafat is the most moderate of the Palestinian leaders through whom it will be possible to reach the kind of agreement he favours. Further, as the man who throughout has handled the PLO's diplomatic contacts, Mr Arafat knows that the Soviet Union has remained steadily in support of the recognition of Israel on the basis of the pre-1967 boundaries. Once she had withdrawn from the occupied territories, Mr Gromyko informed his guest, the Syrian Foreign Minister, on 23 April 1975, 'Israel may get, if she so wishes, the strictest guarantees with the participation, under an appropriate agreement, of the Soviet Union.'¹⁸

¹⁶ See *The Future of Palestine*, background papers and summing up discussion at a seminar held in London in March 1975, Part v (iii), 'A settlement of the refugee problem', issued by the Council for the Advancement of Arab-British Understanding.

¹⁷ The original meeting was arranged in France by the former French Prime Minister, M. Mendès-France, and was held in his villa in July 1976. Regular meetings have followed. The Israeli participants, Lova Elhav and Dr Mattityahu Peled, stressed that they attended as Zionists. The Palestinians had talked previously of only being prepared to meet non-Zionist Israelis. See Eliahu Agres, 'Preparation for war doesn't guarantee peace', *Davar*, 14 January 1977, and the interview with Dr Mattityahu Peled, 'Making peace with the enemy', *New Outlook*, January–February 1977.

¹⁸ BBC, *SWB*, Part 1, SU/4886, 25 April 1975. Some confirmation of the direction of Soviet influence among Palestinians is to be found in *al-Watan*, the underground journal of the Palestinian Communist Party operating on the West Bank, quoted in *Haaretz*, 28 January 1976. The PLO leadership is urged to abandon the idea of a democratic secular state as 'incorrect and unrealistic' and 'rejected by world opinion'. Rakah, the Israeli Communist Party, fought the election on the platform of establishing the small Palestine state and captured 50 per cent of the Israeli Arab vote.

But this year's session of the Palestine National Council (the 'Parliament-in-exile') was in many ways a disappointment.¹⁹ It did nothing to repeal or modify the National Charter, a disobliging document which denies Israel's right to exist, denies that the Israelis are a people and denies the right of Jews to be citizens of Palestine (the whole country) unless their ancestors were there 'before the Zionist invasion'. It does not, in fact, make allowances for Yasser Arafat's own doctrine, by which any Jew already in Israel is entitled to stay if he recognizes the principle of the 'democratic secular state'.²⁰ The National Council did, on the other hand, authorize meetings with 'progressive Israelis', attendance at international conferences like that of Geneva and the establishment of a state (type and size unspecified). But the language was still sufficiently ambiguous to allow supporters of all points of view, except the single most militant, to vote for it. It must be remembered that Mr Arafat has managed to retain the leadership of the PLO for nearly a decade during extraordinary vicissitudes. Even if it is right that he considers a moderate settlement to be the best obtainable, he cannot be expected to act in a way that will split the PLO unless he feels certain of getting at any rate that moderate reward.

Nevertheless, the PLO has been giving hints in the Lebanese press, suggesting a readiness to make some accommodation, with the object no doubt of ensuring that Israel alone should bear the blame if no conference is held. Independent Palestine representation at Geneva was described by Mr Faruk Kaddumi, head of the PLO political department, on 14 August as 'not a major issue'. He also considered a link with Jordan an acceptable idea, but only after the creation of an independent Palestine state.²¹

President Sadat of Egypt, encouraged by the Saudis who have just expressed willingness to pay for his defence needs for five years, has committed himself entirely to the conviction that the Americans can and Mr Carter will force the Israelis to alter their stand radically. To encourage the American President he has spoken openly in favour of a Palestine link with Jordan, a unilateral American defence treaty with Israel after she has retreated, full diplomatic relations with Israel after five years (instead of, as hitherto, after a generation). Always reproached by Israel for keeping his more moderate statements abroad out of domestic circulation, he told an open meeting of the Arab Socialist Union on 18 July that Egypt was prepared to sign a peace treaty 'which means that

¹⁹ A very candid and not too optimistic appraisal of the National Council can be found in Godfrey Jansen, 'The PLO after Cairo', *Middle East International*, May 1977. For an Israeli view of the Council resolutions, see Yehoshafat Harkaby, *New Outlook*, April-May 1977.

²⁰ This was causing confusion at an early stage. On the last day of the Conference of the Friends of Arab States in Cairo in January 1969, the PLO representative had to run to the platform to disown a Palestinian speaker who was following the line of the Charter, not the Arafat doctrine.

²¹ *The Times*, 15 August 1977.

for the first time in its history Israel's legal existence within its borders will be recognized'.

President Sadat's confidence in America's ability to deliver rests on his knowledge of the degree to which the Yom Kippur War increased Israel's financial dependence on Washington. Washington now pays for 42 per cent of the Israeli defence budget.²² In the three years after the Yom Kippur War Israel received 60 per cent of the total of \$10,000 million she has had from the United States since the creation of the state.²³ The Carter Administration has said more than once that it does not intend to use military and economic pressure on Israel. But the present strength of the Arab moderates rests entirely on the assumption that this is what the Administration will eventually do.

When Mr Cyrus Vance completed his August tour of the Middle East, he was in considerable doubt as to whether the Geneva Conference could meet in October or indeed this year. It is true that when he was in Israel, Mr Begin had spoken of Mr Vance's 'great achievement' which was 'a real breakthrough in the peace-making process'. No one on either side has since been able to discern the nature of this 'breakthrough'. It could scarcely be the only development so far made public by President Carter, who indicated on 8 August the receipt of signals from the PLO that they might be prepared to accept Security Council Resolution 242 as a round-about way of recognizing Israel's right to exist. If they did that, Mr Carter said, 'then it would open up a new opportunity for us to start discussions with them'. He acknowledged the Palestinians' complaint that the Resolution only referred to them as 'refugees'. If they should say 'we recognize UN Resolution 242 in its entirety, but we think the Palestinians have additional status other than just refugees,' Mr Carter said, 'that would suit us OK'.²⁴

This was a considerable shock to the Israelis, who had understood that the Palestine National Charter would have to be amended or repealed before the Americans would talk directly to the PLO. With his next two moves Mr Begin seemed to be bidding defiance to both the PLO and the United States. His Cabinet announced that public services on the West Bank and Gaza were to be raised to the same level as those of Israel, and at the same time operational orders were issued to proceed with the establishment of three additional Jewish settlements on the West Bank. 'There has never been,' Mr Ygal Allon said with the gloomy authority of a recent Foreign Minister, 'such a confrontation between Israel and the United States as is now brewing.'²⁵

²² *Haaretz*, 27 January 1977.

²³ See Yitzhak Rabin's speech in Jerusalem, *Maariv*, 4 January 1977.

²⁴ Transcript of President Carter's informal press conference at Plains, Georgia, USIS, 9 August 1977.

²⁵ *Jerusalem Post* (international edition), 16 August 1977.

Spain on the road to democracy

ARNOLD HOTTINGER

The transition from dictatorship to democracy has been remarkably smooth, but the present equilibrium of forces could be disrupted by continuing economic problems and extremism.

IN a recent speech, the Spanish Minister of Justice declared that the Suárez Government had been faced from the start by a choice between two alternatives: it could introduce democracy in the country by first of all having a new constitution drawn up by a constituent assembly; or it could take the existing Cortes of the Franco era as a starting point, bring about the transition to an elected parliament and grant constituent powers to this new assembly. The Government chose the second method. The Minister of Justice admitted that the first would have been 'intellectually more attractive', but the second had the advantage, in his words, of being a 'practical, that is political solution'.¹ In retrospect, one can see two main reasons why a gradual transition to democracy was chosen: there was the danger of violent intervention by extremists, civilian and informed; and a gradual transition enabled the Government to keep the process under control and to emerge finally as the Government of the democratic majority.

The most important stages on the long road to democracy can be listed as follows: first, the reform of the police and army in September 1976 when the Deputy Prime Minister, General Manuel Gutiérrez Mellado, took over the direction of the armed forces and drew up the objectives of army reform. On 18 November, the Cortes which had been appointed by Franco passed a law providing for its own dissolution and the election of the future Cortes by the people, the result of the vote was 425 in favour, 0 against and 13 abstentions, and it was achieved by the Government using all the influence it could bring to bear upon the members of the Cortes, most of them civil servants and dignitaries. In December, a congress of the still illegal Socialist Workers' Party was allowed to take place in Madrid. On 15 December, the people gave a massive vote of approval to the proposal that the composition of the new Cortes should be decided

¹ Speech by Landelino Alsina Lavilla, summarized in *Ya* (Madrid), 13 July 1977.

Dr Hottinger is the *Neue Zürcher Zeitung's* correspondent for Spain and the Arab countries. This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik, GmbH, Bonn

by popular vote.³ In the same month the first steps were taken to break up the state-run unions. In February 1977, once the last bureaucratic obstacles had been set aside, the political parties began to register and were thereby legalized. In March, the amnesty for political prisoners granted in July 1976 was extended. The electoral law was published in the same month. In April, the Communist Party was legalized. In May, the Prime Minister, Adolfo Suárez González, announced on his return from an official visit to the United States that he would take part in the elections as the leading candidate of a centre party. In the Basque provinces there was a general strike in protest against the death of five people who had lost their lives as a result of police action. The industrialist Javier de Ybarra was kidnapped and later murdered; nevertheless the Government decided to send the remaining Basque prisoners into exile. In June, two policemen were shot dead in Barcelona and there were other terrorist incidents, but the electoral campaign went ahead and on 15 June the elections took place.

Extremists against democracy

That there were real dangers was evident from several crises during this one-year process. This article will consider only two of these crises—one civilian, the other military.

In January 1977, after the referendum of 15 December, extremists of Left and Right appeared to conspire to cause unrest by means of murderous attacks in order to check peaceful progress towards a democratic form of government. Even before the referendum, on 11 December, the President of the Council of State, Antonio María de Oriol y Urquijo, head of a wealthy banking family, was kidnapped by a group calling itself GRAPO.⁴ On 23 January, a 19-year-old girl student received a serious head wound from a police smoke bomb canister, dying two days later of a fractured skull. On the same day the President of Spain's highest

³ Result of the referendum: abstentions (advocated by the Left) 22.6 per cent, in favour 94.2 per cent of the votes cast, against (the option of the Franco supporters) 2.6 per cent.

⁴ The abbreviation means 'Anti-fascist resistance group of 1 October'—after the date in 1975 when they had carried out their first action. It appeared to be an extreme left-wing group. However, many observers have expressed doubts about this and suspect that GRAPO could in reality be a pseudo-left group manipulated by unknown forces, on the ground that their actions were always carried out when they could have had a particularly damaging effect on progress towards a democratic regime. In July 1976, immediately after a decisive vote in the Cortes which was necessary for the amendment of the penal law and made possible the legalization of parties, GRAPO exploded around 30 bombs in numerous Spanish towns in government offices left empty overnight. There seemed to be a connexion between GRAPO and the Maoist activists of FRAP. However, GRAPO first emerged after FRAP activists were released from prison, thereby strengthening the theory of possible manipulation by forces close to the police. No legal proceedings against GRAPO members have as yet taken place. Ostensible GRAPO attacks, most of them involving bombs, still take place from time to time.

military tribunal, General Emilio Villaescusa Quilis, was kidnapped, also by GRAPO members. During the following night, the offices of a group of Communist lawyers specializing in labour law were broken into by armed members of the extreme Right, who shot five people dead and injured a further four. On 28 January, three policemen were shot dead by GRAPO members.

Whilst the Left bore its dead to their graves in a well-disciplined silent march through Madrid, there were incidents at the burial of the policemen on 29 January. The extreme Right had gathered outside the military hospital, from which the coffins were carried into the street, and attempted to incite the soldiers with shouts of 'Franco, Franco! Traitors out! Long live the armed forces! Long live the 18 July!' (the date of Franco's coup d'état in 1936). A naval captain, Meneses Vives, dared to remonstrate with the Deputy Prime Minister, General Gutiérrez Mellado, when he ordered all those in uniform to stand to attention and to remain silent, shouting to his most senior officer, 'honour is above discipline!' (He was later punished.)

Before the critical burial ceremony, there had been several meetings of officers. The Military Democratic Union (UMD)⁴ also spoke up at this stage, warning its comrades in the army and the security forces not to 'fall into the trap set by provocateurs', and calling on them to support the Government, so that 'our fatherland may soon achieve the goal of democracy, freedom and peaceful co-existence'. At the end of the month, the police made the first arrests of people suspected of the various murders; among them were activists in the state syndicates and Italian right-wing extremists wanted by Interpol. Towards the end of February, the police succeeded in freeing the two kidnapped dignitaries, Oriol and Villaescusa, and in imprisoning ten of their GRAPO kidnappers.⁵

When the Prime Minister made known his decision to legalize the Communist Party (PCE) on 9 April 1977—during the Easter holiday—a kind of Fronde was formed among the Spanish officers. Though full details of these events are still not known, enough leaked out subsequently to make it clear that this was probably the most dangerous moment the transitional regime had to live through. In the first Suárez Government, as under Franco, there were three military ministries—for Army, Navy and Air Force. They were under the command of three generals inherited from the previous Government of Arias Navarro, who thus constituted a kind of relic of the earlier regime in the reformist Government. The Minister for the Navy, Admiral Gabriel Pita da Veiga, resigned when the

⁴ An illegal alliance of middle-ranking officers with democratic ideals. See Arnold Hottinger, 'Spain one year after Franco', *The World Today*, December 1976, p. 444, note 7. The UMD announced shortly before the elections that it had dissolved itself because its aims (a democratic regime) had been achieved.

⁵ For details and conjecture see *Cambio* 16, No. 272, 21–27 February 1977, pp. 8–15, also No. 271, 14–20 February 1977, pp. 8–14.

Communists were legalized, and the other high-ranking naval officers appear to have shown solidarity with him. The Supreme Council of the Army met and issued a communiqué expressing its 'repugnance' for the Government's action, but declaring that 'on patriotic grounds' the army would accept the *fait accompli*. There are indications that the other ministers for the armed forces at least considered resignation, but the King made a successful appeal to their sense of discipline. Meanwhile, General Gutiérrez Mellado interrupted a visit to the Canary Islands to return to Madrid, while a retired admiral, Pascual Pery Junquera, took over the Navy ministry; the fact that he was brought out of retirement strengthened suspicions that the active senior naval officers had shown solidarity with the outgoing Minister. It was announced later that Colonel Quintero, who until September 1976 had been Chief of Police in Madrid, had been removed from his post in the army's planning department: he had misused his position to send out to army officers a circular without the approval of his superiors, in which the Prime Minister's decision was criticized.⁶ Rumours from various sources referred to a letter sent by the senior officers to the Prime Minister, demanding that he adopt a 'strictly neutral' position in the coming elections. Had Suárez acquiesced in this demand, Manuel Fraga Iribarne's right-wing and avowedly anti-Communist Popular Alliance would presumably have received considerably more votes; this may well have been the object of the exercise.

The extreme Falangist Right and the more moderate Right close to Fraga clearly did their utmost to promote the protest movement in the armed forces; there were demonstrations in the vicinity of the army headquarters and statements such as that of Fraga in which the legalization of the Communist Party was described as a 'coup d'état'; in addition, inflammatory articles appeared in the press of the extreme Right, which had its largest readership in certain officers' circles. The Communists, on the other hand, quickly realized the dangers of the situation and cancelled all demonstrations in celebration of their legalization. Even some time after the sound of the officers' protests had died down, the Government refused to grant permits for processions and demonstrations. When attempts were made to hold rallies, the police intervened with the greatest severity, as on 1 May 1977 and on various occasions in the Basque provinces. Meanwhile, the activists of the parties of the Left, above all the PCE and the Workers' Commissions, tried to impress on their supporters that this was not the right time for demonstrative rejoicing. Even the homecoming of the elderly Dolores Ibárruri, President of the PCE, took

⁶ The best general report is in *Cambio 16*, No. 281, 25 April-1 May 1977, pp 8-13. This also includes the text of a correction of Quintero's circular. The officers accused the Prime Minister, among other things, of breaking his word, since he had told them at a meeting in September of the previous year that he thought it unlikely the PCE would be legalized before the elections.

place quietly. 'No provocation' was the silent watchword of the Left at that stage.

Once the Fronde of the senior officers had faded away, the events were used by Gutiérrez Mellado and the army commanders who shared his view of a depoliticized army to emphasize once again that the Government alone was responsible for political decisions and that these should be no concern of the army. Only in this way could it—as the 'liberal' officers believed—be sure of avoiding a political split in its ranks, like the one which in 1936 led to the Civil War.

The political scene after the elections

As most observers expected and the result of the elections confirmed, the decisive political step before the voting had been the Prime Minister's decision to take on the leadership of a centre coalition, which without him would have found no real focus but with him at its head was able to win the elections. The biggest surprise was that the Spanish Socialist Workers' Party (PSOE) did much better than expected and came quite close to robbing Suárez of his victory. A glance at the map underlines the Socialists' importance. While the Prime Minister's Democratic Centre Union obtained most votes in the inland provinces, in the markedly underdeveloped areas of Galicia, on the Balearic and Canary Islands, the Socialist Party won in the modern, relatively rich industrialized provinces: Asturias, Vizcaya and Guipuzcoa, Gerona, Barcelona, Saragossa, Valencia, Alicante, Murcia; also in the Andalusian provinces of Seville, Malaga, Cádiz, Córdoba and Jaen. The Communist Party was successful in more or less the same areas as the Socialist Party, with the exception of Vizcaya and Guipuzcoa, where it did surprisingly badly; Barcelona was its strongest point, followed by Madrid.

The pro-Franco forces suffered a severe defeat. The true Falangists obtained only 0.35 per cent of the votes and no seats. The Popular Alliance, which had spent ten times as much money on its campaign as the Communists,⁷ received fewer votes than the latter (8.16 as against 9.22 per cent). The Popular Alliance, too, proved to be strongest in the backward regions (Galicia), as well as in the cities like Madrid, Barcelona, Bilbao and Valencia, where there is a rich upper class. The electoral system worked in favour of the Democratic Centre, which obtained 165 seats as opposed to the PSOE's 118.⁸ However, regardless of the electoral system, if the middle class and socialist votes are separated, it can be

⁷ See *The Economist* (London), 9-15 July 1977, p. 47.

⁸ The remaining seats in the Lower House are distributed as follows. PCE (Communist Party) 20, AP (Popular Alliance) 16, PSP (Popular Socialist Party) 6; CDC (Democratic Pact for Catalonia) 10; PNV (Basque Nationalist Party) 8; JC-DCC (Catalan Union and Catalan Christian Democrats) 3, FDC (Independent Democratic Front) 1; EE (Basque Left) 1. In addition there are two independents, who are close to the Democratic Centre Union.

established that 46·49 per cent of the votes were cast for the PSOE or groups to the left of it, 42·41 per cent of the votes for the Democratic Centre or groups to the right of it, while the middle class nationalists in the Basque provinces (PNV) and in Barcelona (PDC), with 2·85 and 2·28 per cent of the votes, held the balance. The left-wing votes were, of course, spread over three larger parties and six very small groups, those of the middle class parties went to two coalition blocs and one small group.

A further important result in the election was the overwhelming victory won by the groups in Catalonia calling for autonomy and the victory of the nationalists in the two Basque coastal provinces, Guizpuzcoa and Vizcaya, although they did not succeed in the two partially Basque inland provinces, Navarre and Alava, whose incorporation in a Basque state is demanded by the Basque nationalists. The Socialists had campaigned in the Basque and Catalan industrial areas as supporters of autonomy and in Catalonia had even formed an alliance with a Catalan Socialist Party (PSC).

The Communists are convinced that they were not able during the three-week election campaign to reach all voters whom they regard as their potential electorate. They believe that the vilification to which their Party was subjected for so long could not be made good during the short period since its legalization. Many of 'their' voters, they suspect, voted for the Socialists this time. The future will show whether this analysis is correct. For the present, however, it means that there is little likelihood of a political pact between the PSOE and the PCE, as the two parties see each other rather as competitors than as colleagues on the left of the party spectrum.

The next steps

For Spanish politics in the short term, the election produced the following situation: due to the electoral law and to its majority in the Senate⁹ the Prime Minister's Democratic Centre can decide the course of events in both chambers. The Socialist Party seems for the time being to be satisfied with the role of opposition, as are the Communists. The Left is waiting first of all for the municipal elections, in which they hope to see a shift to the left, since they believe that Spaniards will come out more decisively for a change in the balance of power at the local than at the national level. This is not improbable, since it is at this level that the fires of discontent have been kindled against the previous authorities, who

⁹ The main blocks in the Senate are the Democratic Centre Union (105), PSOE (47); appointees of the King (41). In addition, there are 23 left-wing independents and 11 close to the Centre, also 2 Catalan Democratic Pact, 5 Christian Democrats, 4 Basque Nationalist Party, 3 PCE, and 1 Basque Left (pro ETA)

were appointed by Franco's Ministry of Internal Affairs and who were necessarily identified with the Right and the middle classes.

Before the municipal elections, Parliament will have to draft a constitution and the left-wing opposition will see to it that the result is as democratic as possible. Together with the Government, Parliament will also have to tackle the question of the regions which are seeking autonomy. For the Catalan provinces, a transitional solution is already under consideration,¹⁰ but a final solution will have to be negotiated by the Parliament and the Catalan politicians. The Basque problem still awaits a solution; it is burdened with the deep resentments which have built up as a result of the behaviour of the Spanish police in the Basque provinces over the last century.

Economic problems

The Government is also faced by the difficult task of overcoming the crisis in the Spanish economy, which has begun to show some dangerous symptoms. If the new Suárez Government reconstituted after the elections has any real success in this, its political prospects for the next few years are good. But the problems should not be underestimated. The new Deputy Prime Minister for Economic Affairs, the universally recognized economic expert, Enrique Fuentes Quintana, summarized them in a television broadcast to the Spanish people in the following figures: 1977, rate of inflation around 30 per cent; unemployment over 5 per cent; balance-of-payments deficit approximately \$5,000 m. (1976: \$4,200 m.; 1975: \$3,500 m.). The Minister added that, since the oil crisis of 1973, 25 per cent of the country's total imports was spent on oil, yet nothing had been done to increase exports accordingly. Immediately after its formation, the Government devalued the peseta by 20 per cent and announced a series of measures aimed at getting the situation under control.

For the first time in Spain's recent history, the Government is no longer in a position simply to give orders for economic measures which bite and to rely on the police for their being carried out. It now has to reckon with legalized trade unions and with a legal opposition of left-wing parties. The trade union leaders made it quite clear that this time the crisis would not be paid for by the workers, as had always been the case under Franco. Indeed, the Government promised to carry out a thorough tax reform in order to reduce social inequalities. Up to now the middle and upper classes in Spain have always paid much less tax than they should have done according to the law. The Government

¹⁰ After negotiations in Madrid between the exiled president of the Catalan separatist government, the so-called Generalitat, and Prime Minister Suárez in July 1977, the decision seems to have been taken to re-establish a provisional Generalitat with its previously exiled president, Josep Tarradellas, as provisional President, perhaps in September. Catalonia's final statute would be negotiated later by the elected Catalan candidates and the entire Madrid Parliament

intends to revise the taxation laws with this in mind, hoping that in return the workers will show moderation in their wage demands.

The response of left-wing circles and the trade union leaders to the Government's only partially revealed plans has not been negative. All the spokesmen have insisted, however, that they will not be satisfied with mere promises and declarations of intent. They want to see deeds, and it will not be easy for the Government to produce these in quick succession. The Government must reckon with silent but determined resistance from the hitherto privileged classes; besides it does not yet have at its disposal an administrative machine in any sense capable of establishing a modern welfare state.

There is a danger that a growing economic crisis could exacerbate existing social tensions and contradictions and make the people more conscious of them; this danger is all the greater since the fundamental questions of economic life must now be discussed publicly—which was not the case under *Franco*. If this development comes about, a significant increase in votes for the parties of the Left in the medium term can be expected. Only in the less likely event of a rapidly improving economic situation could the present equilibrium between the bourgeois and socialist forces be expected to survive.

A new equilibrium ?

Even irrespective of economic problems, the recent elections probably only reflected the political situation in Spain at the moment. This situation was the result of a gradual process of relaxation and liberation controlled from above. Although the restrictions on the Spaniards' political freedom of movement were reduced step by step up to the elections, the latter took place while the Government still had a number of significant advantages over the gradually legalized opposition groups. It was precisely in the rural inland provinces, where it won its greatest successes, that it could count on the weight of the last forty years: the population in a region like Galicia was quite simply accustomed to voting for the Government. This habit will decrease with a few years of democracy.

The total control of television, which in rural areas is by far the most important means of communication, must have been a further inestimable advantage for the Government. The parties, it is true, were given equal advertising time during the election campaign. It is unlikely, however, that television, which up to now has been readily available to the Government and more or less subtly used by it to its own ends, will for long remain purely an instrument of government when a fully democratic regime has taken over. In addition, the Government was able before and during the election campaign to manipulate the laws on assembly and demonstration which gave it important powers of decision-making

When the next elections are held, there will be fewer restrictions and controls.

The Left's attacks during the campaign were directed almost exclusively against Fraga's Popular Alliance, which was seen as the main danger. At bottom the leadership of the left-wing opposition was quite prepared to concede victory to the Prime Minister's Democratic Centre. Neither the Communists nor the Socialists would have been really capable of governing the country after an election victory. A Communist victory, never expected moreover, would have led to intervention by the military, a Socialist victory to administrative and economic chaos. But when the next elections are held, a confrontation between the middle class Democratic Centre and the forces of socialism must probably be reckoned with. The Popular Alliance scarcely counts any more as a significant force. Demography is working in favour of the Left, because the young are further to the left than their elders. The return of numerous exiles from other European countries could well have a similar effect. If the Left succeeds in obtaining the right to vote for those aged 18-21, this will cause a further significant shift.

Regime adapted to society

Spain's transition to democracy has been surprisingly smooth to date. This can be accounted for by the fact that a few exceptional personalities were able to steer the transition in the direction indicated by internal developments in Spanish society over some years. The society had become industrialized since the beginning of the period of rapid economic growth (from 1960), its mentality had altered, coming very close in aims and aspirations, as well as in many details of its way of life, to the industrial societies of the rest of Europe. Yet under Franco, the political regime had remained, for all practical purposes, the old one. The most important political change during the Franco regime was the end of censorship and its replacement by limited press freedom under the Press Law of 1966. This contributed in no small way to the 'modernization' of Spanish society in its objectives and its way of thinking.

After Franco's death, transition to a democratic regime was overdue. Important groups which had supported the previous regime were themselves caught up in the change, above all the Church, and even the lower ranks of the army, in which the UMD developed. Already some years earlier the more up-to-date groups within the economic oligarchy had begun to be drawn to a 'neo-capitalism' on the European model. The economic attraction of the European Community may have contributed to this. After Franco's death these tendencies grew, and King Juan Carlos tried from the moment of his accession to help them break through. He had to proceed cautiously at first, of course, so as to avoid provoking the surviving oligarchy from the Franco era.

Once the King could rely upon a confidant of his own generation, Prime Minister Suárez (June 1976), the process of change was accelerated and the appointment of a Supreme Commander of the Armed Forces who was in agreement with him, General Gutiérrez Mellado, shielded him from the danger of attacks from the army chiefs, many of whom sympathized with the previous regime. The Fundamental Laws, which Franco had carefully laid down to preserve his system, could be dismantled and revised once power was in the hands of the reformers. The people proved to be only too ready to sanction and acclaim the changes. Had Luis Carrero Blanco remained Prime Minister, as Franco planned, and not succumbed to a murderous attack by the Basque underground organization ETA in 1973, he would scarcely have allowed supreme power to pass into the hands of democratic reformers. The means of preventing this—the Fundamental Laws and the support of the army chiefs—would presumably have been at his disposal for years. Such a preservation of an internally outdated regime would probably have ended with its violent overthrow or even with a revolution.

Corrigendum: In the August 1977 issue, p. 300, ten lines above the side-head, '18 April' should read '15 April'

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The Royal Institute of International Affairs

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EDITOR: LILIANA BRISBY

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Note of the month



TITO'S EASTERN TOUR

PRESIDENT Tito's 24-day tour of the Soviet Union, North Korea and China, from which he returned to Belgrade on 8 September, should be seen as something of a triumph for Yugoslavia's veteran leader. The tour's main achievement was undoubtedly Yugoslavia's reconciliation with China, for many years her foremost ideological critic. China's hostility towards the heresies of Titoism did abate somewhat in the wake of the 1968 Soviet invasion of Czechoslovakia which generated widespread fears of further Soviet expansion in southern Europe. But it was the defeat of the Chinese radicals after Chairman Mao's death last year that created the conditions for a full and complete reconciliation. That that reconciliation was accomplished without upsetting Yugoslavia's relations with the Communist world's other great power and China's bitterest rival, the Soviet Union, must be counted as Tito's further success. Tactfully, he put in a few days' stay in North Korea en route from the Soviet Union to China, thus making it easier for his hosts both in Moscow and in Peking to avoid mentioning his visit to the rival establishment. But Tito's stop in Pyongyang was in fact more than a diplomatic courtesy call: he used it to publicize North Korea's desire to play a growing role in the non-aligned movement, whose flagging fortunes Tito, its only surviving founder-member, is anxious to revive.

In all three countries President Tito received a cordial welcome. All vied with each other in extolling the virtues and achievements of the man they had once vilified as a revisionist renegade and even a fascist. Nowhere was Tito's welcome more friendly and warm than in China, who had taken longer than almost any other Communist country (except Albania) to moderate her serious ideological objections to Yugoslavia's domestic and foreign policies. Tito was paid the honour of a private preview of the just completed mausoleum to the late Chairman Mao even before it had been officially opened. He repaid the compliment with his own generous tribute to the late Chairman Mao who had, back in 1958, called him an American agent. Already in the weeks preceding the visit, the Yugoslav press, radio and television had been publishing extensive and enthusiastic accounts of China's recently held eleventh Party Congress which confirmed the new pragmatic leadership in power. At the end of the visit, Belgrade made much of Chairman Hua Kuo-feng's acceptance of Tito's invitation to visit Yugoslavia.

In the eyes of the Chinese leaders, Yugoslavia is an important bulwark against Soviet expansion in southern Europe and as such eminently deserving of Peking's backing. The objections which China's erstwhile close ideological ally, Albania, was likely to have at the prospect of Yugoslavia, her traditional bogey, becoming China's friend were completely ignored. During Tito's visit to China, Albania answered the snub from Peking by circulating, through her embassy in Peking, reprints of Albanian attacks on the late Nikita Khrushchev in 1963, when the Soviet leader was, in the Albanians' view, making a fool of himself by trying to woo Tito and, as they described it, 'kneeling before him'. This was the Albanian way of rebuking the present Chinese leaders for following in what they saw as Khrushchev's undignified steps.

China's endorsement of Tito and the fuss that was made of him in Peking and elsewhere in China is already being used to boost the Yugoslav regime's prestige at home, where Tito's crackdown in 1971 and 1972 on the liberal and nationalist elements in the party and outside it has not stifled all opposition. It is the evidence of growing nationalist discontent, not only among the Croats and the Albanian minority but also amongst Yugoslavia's most numerous nationality, the Serbs, that seems to worry the Yugoslav authorities—as can be seen from harsh sentences lately being handed out to alleged nationalists.

Abroad, the Chinese connexion should be helpful to Tito in his discreet attempts to weld the Balkans into an informal grouping of independent-minded states. Greece and Rumania seem to be collaborating in this attempt, and Rumania is said to have played a role in arranging Tito's visit to China. Outside Europe, Yugoslavia has a common interest with China in seeing that Russia's close ally, Cuba, does not take over the leadership of the non-aligned grouping. Last but not least, closer economic co-operation with China should be beneficial to Yugoslav industry. According to Yugoslav press reports, trade between the two countries is expected to increase fourfold in 1978 as a result of accords reached during Tito's visit.

But the new rapprochement between China and Yugoslavia should be seen in its proper perspective. Ideological differences between the two countries have by no means been all ironed out—despite the Chinese leaders' reported polite show of interest in Yugoslavia's self-management system and the hints during the Peking talks of a possible resumption of inter-party links broken off in 1958. The question of military co-operation between the two countries does not arise. In 1971 Chou En-lai warned a visiting Yugoslav journalist that 'distant water quenches no fire' and the Yugoslavs have never been under any illusions on that score. But in any case, Tito does not want a confrontation with his powerful neighbour in the East. There was no overt anti-Soviet slant in his speeches in Pyongyang and Peking. One of the reasons why he travelled to the Soviet

Union in August, less than a year after Mr Brezhnev's visit to Belgrade last November, was probably to take any anti-Soviet sting out of the Peking trip. As for Mr Brezhnev, Tito's visit gave him a chance to erase the bad impression he had made in Belgrade with his reported hectoring of Tito. This summer, Mr Brezhnev went out of his way to be friendly and affable. As he was decorating President Tito with the Order of the October Revolution, he remarked that differences between the two countries did not matter as long as a mechanism existed for solving them and the two countries needed each other.

Empty diplomatic talk? Not quite. The majority of Yugoslavs may (with good reason) regard the Soviet Union as a threat to their country's independence. But to President Tito, despite the past, the Soviet Union is at the same time the guarantor of the country's Communist system against the West and pro-Western pluralist-minded Yugoslavs. His concern about developments after he goes gives him a major common interest with the Soviet leaders, who are anxious not to see their ideological and political stake in Yugoslavia further eroded after Tito's death and may even hope to enlarge it. Besides, the Soviet Union is now Yugoslavia's most important trading partner in either East or West, a major source of her raw materials and other goods and a market for goods Yugoslavia cannot sell in the West. It is possible that President Tito hopes that the Soviet Union will be more forthcoming with economic concessions (including credits) in the wake of his China trip.

But will Tito's new balancing act between China and Russia, which he has now added to his old one between Russia and the West, survive him? This difficult question will be answered only when Tito, who will be 86 next year, departs from the scene and leaves his successors to play the intricate diplomatic game he has bequeathed them.

K. F. CUTH

Carter and Korea: the difficulties of disengagement

ASTRI SUHRKE and CHARLES E. MORRISON

Although the new American policy towards South Korea appears unlikely to have the immediate destabilizing effects that its critics fear, it may pose some long-term problems.

THE November 1976 election of Jimmy Carter as President of the United States came as unwelcome news to President Park Chung Hee's Government of South Korea. Relations with the United States were already seriously strained by revelations of the operations of the Korean Central Intelligence Agency in the United States, the growing scandal over South Korea's allegedly extensive bribery of American Congressmen and the increasingly vocal American criticism of domestic repression in South Korea. Now a new president was elected who had pledged a phased withdrawal of all American ground troops in South Korea, the removal of tactical nuclear weapons from the peninsula and an invigorated human rights campaign.

The Carter Administration quickly gave more concrete expression to these pledges. The general intention to withdraw was reaffirmed during Vice-President Mondale's visit to Japan at the end of January 1977. On 9 March, the President announced that the ground troop withdrawal would be phased over four to five years. The immediate reaction in some circles was one of alarm, not only in Seoul but also among high-ranking American military officers in Korea who expressed their disagreement both publicly and 'within channels'. Memories of a previous American troop withdrawal in 1949 and the subsequent war heightened apprehensions that North Korea's intentions and capabilities remained a strong and dangerous threat to South Korea's security.

By the middle of the year, however, a calmer attitude became apparent as it seemed that neither the changes in American policy nor the anticipated consequences would be as dramatic as some had initially expected. The Carter Administration reaffirmed its defence commitment to the republic under the 1954 mutual security treaty and its intention to keep (and possibly strengthen) American air force units in South Korea and maintain naval forces in the vicinity to back up this commitment. Over

Dr Suhrke is Assistant Professor of International Relations at the American University, Washington, D C., and Dr Morrison is Professorial Lecturer at the Johns Hopkins School of Advanced International Studies, Washington, D C

two-thirds of the 33,000 ground forces would not be taken out until 1982. There were plans to exclude approximately 6,000 ground forces performing logistical and other services from the withdrawals, and it was uncertain if, or how many, tactical nuclear weapons would be removed. South Korea would receive generous military assistance, primarily in the form of credit sales, to upgrade her own military forces as the American withdrew. The Administration also repeatedly promised that there would be close consultations with Seoul and Tokyo. The Japanese Government expressed agreement with the process and substance of this policy, and even in Seoul there were signs of confidence that the Government could successfully weather the changes in its alliance.

The American policy debate

Carter Administration spokesmen have emphasized that the new Korean policy is not a radical departure from the past, referring to the withdrawal of one division in 1971 and the 1969 Guam doctrine which proclaimed that America's smaller allies should assume greater responsibility for their own defence, particularly with respect to manpower.

South Korea appeared in some respects particularly well suited for the implementation of this doctrine. Not only did she have twice the population of her North Korean adversary and larger armed forces in terms of manpower, but her gross national product had been growing about twice as fast as that of North Korea in the 1965-75 period, reaching US\$19.6 billion in 1975 compared to US\$7 billion for the North. This trend was expected to continue. South Korean defence expenditures had surpassed North Korea's in the same year, and, of course, South Korea was able to sustain a higher absolute expenditure more easily because of her larger economy. As a result, there was a growing conviction in Washington that Seoul was capable of maintaining a reasonable defence posture vis-à-vis the North without the presence of American ground combat troops. American air and naval units, as well as the treaty obligations, were believed to present a credible deterrent against any rash North Korean move and restrain North Korea's Chinese and Soviet allies from supporting such moves.

This assessment of South Korean capabilities was reinforced by domestic pressures favouring troop withdrawals. After the Vietnam War, there remained a considerable 'bring the boys home' sentiment reflected in efforts in Congress in 1973 and 1974 to reduce American troop strength in Asia. In the International Security Act of 1976, Congress required the Administration to report on the prospects for phased withdrawals from Korea. The Executive branch successfully resisted Congressional efforts to force its hands on these occasions, but within the foreign policy bureaucracy there was also concern about avoiding automatic involvement in another land war in Asia. American troops stationed between two

bitterly opposed enemies was not a comfortable position for any Administration, especially one that was determined to 'heal the wounds' of the Vietnam War. Indeed, this was a major argument for withdrawals in a secret National Security Council memorandum to the President which was leaked to the press on 6 March 1977.

Other considerations supported reductions. In the 1950s and 1960s, the American troop presence had been an expression of the United States' containment policy; the Sino-American relationship in the early 1970s and the improving relationship with the Soviet Union at the same time weakened the rationale for a substantial troop presence. There was also growing confidence in Washington that North Korea could not count on a great deal of support from China or the Soviet Union for a military adventure in the peninsula. Both Moscow and Peking had been markedly reserved during incidents involving North Korean and American or South Korean personnel along the Demilitarized Zone (DMZ), starting with the 1968 *Pueblo* incident. Arms supplies from China and the Soviet Union had decreased dramatically from an annual average figure of US\$170 m. in 1971-73 to a mere US\$16.5 m. in 1975-76, according to US government estimates.¹ Moscow's statements in support of North Korea were 'correct' but cool. The relatively more cordial relations between Pyongyang and Peking also contained distinct elements of reservation, as when the Chinese failed to mention publicly the mutual defence treaty with North Korea during President Kim Il Sung's visit to Peking after the fall of Saigon in 1975.

As American concern with South Korea's security became less pressing, non-security issues assumed increasing importance in the relations between the two allies. The most significant of these was the human rights question in South Korea. The Park Government had begun to tighten domestic control in 1972, citing external threats and uncertainties which necessitated improved national discipline. In October 1972, President Park declared martial law and suspended the Constitution. A new 'revitalized' (*yushin*) constitution was promulgated which centralized political power, permitted Park to continue in office indefinitely, and restricted civil rights and liberties. A series of emergency decrees were issued in subsequent years further to strengthen government control. Domestic opposition to Park's *yushin* reforms included highly publicized incidents (the kidnapping of the opposition candidate in the 1971 presidential elections, Kim Dae Jung, from a Tokyo hotel in 1973; the arrest and maltreatment of the poet Kim Chi Ha; and the arrest and imprisonment of 18 leading public figures who led a protest against the Govern-

¹ The reasons for this are not clear; quite possibly it reflected Kim Il Sung's long-standing policy of making North Korea more independent by building up domestic defence industries, even at heavy economic costs, as much as any Chinese and Soviet reluctance to provide extensive arms aid. In either case, it signified a distance in the relationship.

CARTER AND KOREA

ment on 1 March 1976). These events forcefully reminded informed American opinion of the Seoul Government's domestic repression. Critics in the American Congress argued that Park's authoritarian methods would eventually alienate the South Korean people and endanger the stability of the republic, and urged that the American military commitment should be re-evaluated in this light. The troop withdrawal proposal, therefore, was attractive to American critics of Park who wanted to dissociate the United States from a government which they regarded as an undesirable and/or counter-productive ally.

On the other hand, there was opposition to Carter's policy. Once the withdrawal pledge had been transformed into established policy, the critics sometimes appeared to be more in evidence than the supporters of the new policy. The most vocal doubters were found in the military, especially among those who had served in South Korea, and in conservative circles. They argued that the ground troops were the most potent element in the American deterrent and that withdrawals would encourage North Korea to miscalculate and attack the South. They frequently cited the sequence of events in 1949-50 and argued that if the troops were withdrawn, it would be almost impossible politically and very difficult militarily to reintroduce them. These critics were also concerned that, despite South Korea's manpower advantage (the significance of which they disputed), South Korea was numerically or qualitatively inferior in such important weapons categories as artillery, tanks and armoured personnel carriers. There was no consensus about the margin of military superiority South Korea would need to maintain a credible deterrent and defence, but those opposed to the withdrawals argued that a very substantial margin was required because the North Korean regime was unpredictable, irrational and inherently aggressive. As evidence, they cited the tunnels dug by the North Koreans under the DMZ to penetrate the South and the 1976 Panmunjom incident in which two American Army officers were killed in a bizarre tree-cutting incident.

Criticism also centred on the broader implications of the troop withdrawals. Even if there were no North Korean attack, this line of reasoning went, there most probably would be serious diplomatic setbacks for the United States. America's chief ally in East Asia—Japan—would be profoundly concerned. This would increase pressures on the Japanese to rearm, perhaps with nuclear weapons, or it might weaken the pro-American Liberal Democratic Party, undermine the US-Japan Mutual Security Treaty and encourage a non-aligned Japanese foreign policy. China would question the firmness of America's resolve to stand up against the Soviet Union, and further afield in South-East Asia there would be increased doubts about America's intent to remain an Asian power. The political uncertainty caused by the withdrawals could undermine investor confidence, particularly in South Korea, but elsewhere as

well, and lead to economic stagnation throughout non-Communist East and South-East Asia.

From a slightly different perspective, it was argued that unilateral troop withdrawals were equivalent to throwing away valuable bargaining chips that could be used to negotiate a more stable peace in the peninsula. The Ford Administration had made a small step in this direction by offering in 1975 and 1976 to hold a great-power conference, including the two Koreas, to seek a more durable arrangement to replace the 1953 Armistice Agreement. North Korea had predictably rejected these proposals as merely a device to formalize the division of Korea and put the southern republic on an even stronger footing. Both Moscow and Peking faithfully supported Kim Il Sung's position, the Chinese reportedly telling Dr Kissinger during an October 1975 visit to Peking that he should talk directly with the North Koreans instead of trying to perpetuate the old armistice. Whether or not North Korea and her allies would have found the offer of actual troop withdrawals a more tempting opening for negotiations is an open question. The Carter Administration has not disclosed whether or not there were prior contacts with China or the Soviet Union, and there appears to have been no extensive preparation for this. The earlier Ford/Kissinger proposals have been repeated, but without elaboration. It is, at any rate, doubtful if either of North Korea's allies were in a position to put much pressure on Kim Il Sung.

Disagreement within military and conservative Congressional circles influenced the development of the policy and placed its implementation in some doubt. The Joint Chiefs of Staff favoured a smaller withdrawal and had recommended in March that only 7,000 of the 33,000 ground forces be taken out in a five-year period. Military discontent was expressed openly, as in the case of Major-General John K. Singlaub, or through leaks.² In July, the Pentagon estimated that South Korea needed some US\$8 billion in arms supplies from the United States in 'compensation'. This highly inflated amount was more than twice the figure which the South Korean Government reportedly had on its initial 'shopping list', and was clearly designed to embarrass the White House.³ By mid-1977, then, only the principle of troop withdrawals over a five-year period had been settled, leaving the possibility for a change after the 1982 presidential elections in the United States. The modalities of the withdrawal

² Major-General Singlaub, the third highest ranking American officer in Korea, told a reporter from the *Washington Post* on 19 May that if the withdrawals proceeded as planned, it 'will lead to war'. He was immediately ordered home by the President and reassigned.

³ The Pentagon task force also recommended that South Korea should receive 90 F-16 aircraft, which would significantly upgrade the South Korean air force and would also be questionable in terms of the President's arms transfer policy of not introducing advanced new weapons systems with an offensive capability into a region. The Secretary of Defence, Harold Brown, nevertheless announced on 26 July that the Administration had decided 'in principle' to sell F-16s to South Korea.

programme were still subject to negotiations within Washington as well as between Washington and Seoul.

The South Korean response

South Korea responded to the new policy with a mixture of confidence and anxiety. The Park Government emphasized that it had anticipated withdrawals since 1969 and was preparing its own self-reliant posture (*cha'ju*). South Korea would still need the United States to deter China and the Soviet Union, but by the early 1980s her forces could confidently match those of the North. As a Cabinet report put it: 'The timeframe for the withdrawal of the US ground forces and our plans for a self-reliant national defence have coincided, as anticipated'⁴

This theme was stressed partly to avoid domestic demoralization or any miscalculations in North Korea, and reflected an underlying anxiety. Although the US ground forces were militarily less important than before, they were still considered important symbolically and psychologically. The South Koreans were acutely aware that their only ally was geographically distant (unlike North Korea's), and that its chief interest was not so much the defence of South Korea per se as the defence of Japan. The sequence of events in 1949 and 1950 loomed large in the South Korean consciousness, and it was feared that if the troops went they would not return this time. To counter this, the Government specifically emphasized the differences between the current situation and the earlier period when the republic was weak and unprepared for war. But the mood of cautious confidence was more than just a façade and was evident even before the modifications in Carter's policy became apparent. The South Korean élite had anticipated withdrawals for some time in response to what they saw as growing isolationism in the United States after the Vietnam War. They were, therefore, to a certain extent psychologically prepared for the reductions and ready to put greater faith in South Korea's own quite formidable economic and military strength.

The Park Government would still have preferred the troops to stay—indeed, as one official said, 'If we had our way, the United States would bring in an additional two divisions'⁵ But once that appeared impossible, Park was ready to strike a tough bargaining posture to slow down the schedule of withdrawals and obtain generous military assistance as compensation. He was in a strong position in many ways. The Americans were divided on the issue, while Park could show that the South Korean people were behind him in opposing withdrawals, including those whom he had imprisoned for criticizing his regime. South Korean officials appealed to Washington by emphasizing the same points which American critics of withdrawal were invoking—pointing to South Korea's weak-

⁴ Seoul Domestic Service, 15 March 1977

⁵ *New York Times*, 25 May 1977.

ness and unfavourable consequences not only in Korea but in East Asia generally that might follow any rapid withdrawal, thus reinforcing the hesitation already evident in Washington

In particular, the Seoul Government tried to exploit American concerns about Japan's reaction. Within the ruling Liberal Democratic Party in Japan and the government bureaucracy, there was considerable anxiety about the withdrawal programme. On the other hand, most of the opposition parties expressed support for the programme and urged the Government to avoid a 'Korea clause' tying Japanese and South Korean security in the Carter-Fukuda joint communiqué to be signed during Fukuda's March visit to Washington.* Prior to the visit there was a rush of South Korean delegations to Tokyo urging the Prime Minister, Mr Fukuda, to express concern about the reductions. In the end, the Japanese Government did not oppose the withdrawals, but emphasized that they should be carried out cautiously to avoid jeopardizing Korean stability. A clause did appear in the joint communiqué stressing the importance both governments attached to peace and stability in Korea. Though less affirmatively expressed than past Korea clauses, it was none the less an indication that the Fukuda Government remained willing to support at least some elements of the South Korean cause in Washington.

President Park also had an independent source of bargaining leverage. He claimed that troop withdrawals represented a major change in South Korea's alliance which compelled the Government to consider all options to increase its self-reliant defence posture. That included the development of nuclear weapons, as Park had first publicly suggested in June 1975, and repeated during the first discussions on troop withdrawals with American officials in Seoul in May 1977. The American Government did not discount Park's threat lightly, as evidenced by Washington's forceful pressure on South Korea to cancel an order for a plutonium re-processing plant from France in late 1975. The possibility that Seoul would seek nuclear weapons also figured prominently in the Japanese debate on the significance of Carter's policy.

Theoretically, Park also had the capacity to raise tension in the peninsula by provoking incidents with North Korea. This would present the United States with the dilemma of proceeding with the withdrawals or holding fast in the face of what might appear as North Korean provocation. This, of course, would be an extremely risky tactic for Seoul to adopt, but as a possibility inherent in the situation, it contributed to the American wish to carry out the withdrawals in a manner acceptable to the smaller ally.

* For a flavour of the Japanese debate, see 'Inauguration of New President Carter. Defense of Japan Shaking Due to Pledge to Withdraw US Forces from ROK, Magnitude of X', in *Shukan Asahi*, 21 January 1977. Translated by the American Embassy (Tokyo) in *Summaries of Selected Japanese Magazines*, February 1977.

The North Korean response

Kim Il Sung's first detailed comment on the Carter Administration policy was made in an interview to the Japanese newspaper, *Yomiuri Shimbun*, on 23 April, where he expressed a great deal of scepticism. He noted that the campaign pledge was a good development, but that it had not yet been carried out. The air force would stay; there was no firm policy on taking out the tactical nuclear weapons; and the Carter Administration would be giving military assistance to Park Chung Hee's Government despite its declaratory policy of not aiding repressive regimes. Kim also said that since 'the South Korean authorities are opposed to the withdrawal . . . and the Japanese Government is also against it on the whole . . . it is hard to guess what the United States means when it says that it will withdraw its troops from South Korea with the consent of the South Korean authorities and the Japanese Government'. This was a much more sober assessment of the future than the buoyant optimism expressed in Pyongyang's propaganda. The Park Government was besieged by difficulties, isolated internally and externally, and the 'democratic and patriotic forces' in the South were consequently gaining strength, thus bringing an 'independent and peaceful reunification' one step closer.

For some time Kim Il Sung has taken a somewhat more conciliatory posture towards the United States. In 1973 and 1974, he sent letters to the US Congress calling for talks between the United States and North Korea to conclude a peace pact. This offer to open a dialogue, a departure from the past, was frequently repeated, as in his July 1977 invitation to the Secretary of State, Cyrus Vance, to visit Pyongyang on his way home from Peking the following month. Kim Il Sung showed unprecedented moderation during two recent incidents along the DMZ. He described the August 1976 Panmunjom incident as 'regretful', and when a straying American helicopter was shot down north of the DMZ in July 1977, the survivor and bodies of the dead were promptly returned. Since Carter's inauguration, North Korean propaganda has generally avoided personal attacks on the American President.

On one level, these moves were obviously designed to hasten American withdrawal and undercut the Seoul Government by offering to hold separate talks with the United States. They were also part of the war of nerves between Seoul and Pyongyang whereby any diplomatic move by one immediately provoked a counter-move by the other. Thus Park had, on 23 June 1973, formally announced he would be willing to talk with China and the Soviet Union. Seoul's failure to obtain more than a very cautious Soviet response (permission for private South Korean delegations to visit Moscow) was matched by the American refusal to hold any official or semi-official talks with North Korea unless the South Koreans also participated. Nevertheless, although the Northern Government

denounced the concept of 'cross-recognition' by the allies of the other Korea, both Koreas persisted in trying to cut across established alliance lines.

On another level, Kim Il Sung's conciliatory moves may reflect recognition of North Korea's weakness and the desirability of exploring possibilities for a *modus vivendi* with the United States and Japan to help maintain a balance on the peninsula. South Korea was forging ahead of the North in economic terms and would be able to sustain an indigenous arms race at much less relative cost than the North could. The North continued to have serious economic difficulties; the Six-Year Plan (1971-76) was marred by structural problems which made it necessary to designate 1977 as 'a year of readjustment', and the economy was saddled by a large foreign debt, possibly as much as \$2 billion. Relations with China and the Soviet Union were not conducive to a strong competitive posture with the South, and certainly not to a military reunification policy. And although the North Koreans had won a significant diplomatic victory by being admitted to the non-aligned nations group meeting in Lima in August 1975 while the South Korean application was rejected, they failed to obtain support for a militant resolution on the Korean question at the Colombo meeting in August 1976. Relations with Japan had been slowly improving, although technically they were still limited to non-political and unofficial contacts. The Japanese willingness to make the line between official and unofficial exchanges a thin one was demonstrated when Japan permitted a North Korean parliamentary delegation to visit Tokyo in April 1977 to hold discussions and sign a renewed trade agreement with Japanese parliamentarians through the Dictmen's League for Promotion of Friendship between Japan and Korea. These advances would be furthered by a continued North Korean conciliatory attitude. Pyongyang would certainly not, however, abrogate its formal commitment to reunification.

The significance of the new Korea policy

It would be an over-statement to suggest that the changes in American policy toward South Korea have opened a way for the reduction of tensions on the peninsula in the near future. While each Korean government has made some conciliatory moves towards the allies of the other government, neither has made any similar gesture towards the other nor has any incentive to do so. The North-South dialogue of 1971-73⁷ has completely stalled; what meetings are still held have become merely another vehicle through which both governments pursue their antagonistic rhetoric and interests. These interests remain so diametrically opposed that any concession by one is regarded as a victory for the other. Neither

⁷ For background, see Astrid Suhrke and Charles E. Morrison, 'The Koreans negotiating from balanced strength', *The World Today*, November 1972.

government is at so obvious a disadvantage that it must make compromises.

Nor is there much reason for optimism on the broader diplomatic scene. The large powers are not in a position to force either Korean government to make concessions on matters they regard as intimately connected with their own survival, and both Koreas generally retain the support of their allies on issues of inter-Korean relations. The United States will not talk with North Korea unless South Korea participates, but North Korea and her allies refuse to consider the larger four- and six-power conferences Washington proposes or formalization of the two Koreas configuration by UN membership for both or 'cross-recognition'.

If the American policy initiatives have failed to generate any decisive momentum towards reducing tensions, they seem unlikely to produce any of the destabilizing results the critics fear. While it is still too early to assess the long-term consequences, South Korea appears able to adjust successfully to the reductions and strengthen her own military posture. If Park's efforts to create 'iron-like unity' at home do not prove counter-productive, there is good reason to believe that South Korea's advantage over the North will continue to grow. As Park said earlier this year, 'In just a few years we will be completely self-reliant in the fields of national defence and economy, thus completely overwhelming North Korea.'⁸ In the meantime, North Korea seems likely to continue a more moderate posture towards the United States in order not to jeopardize the withdrawals.

However, one serious destabilizing consequence of the current American policy may be discerned in this process. An economically and militarily strong South, determined 'to overwhelm the North', may provoke the North Koreans to make desperate moves, just as the South Koreans now claim when arguing for the retention of American ground troops. Short of that, it will fuel the indigenous arms race and possibly compel North Korea to seek a closer alignment with China or, more probably, with Soviet Russia. If this occurs, it will no doubt be of very great concern to the Japanese and set the stage for large power re-engagement, rather than disengagement, in Korean affairs.

⁸ Speech to the Air Force Academy reported in Seoul Domestic Service, 30 March 1977.

Eurocommunism : Moscow's reaction and the implications for Eastern Europe

HEINZ TIMMERMANN

In recent years the 'Eurocommunists'—that is the Communist Parties of Italy, France and Spain—have been developing a new outlook, at least as far as the declared contents of their programmes are concerned. The essence of this new trend is that the Eurocommunists have been emancipating themselves increasingly from the ideological and political conceptions held by Moscow and focusing on the specific conditions and traditions in their own countries and in the Western European region. The following points are at the centre of this development:

First, the Eurocommunists refuse to accept Soviet socialism as the model on which to base the new social order which they are striving to achieve. For them, Soviet socialism is the result of specific historical conditions peculiar to Russia and not a valid solution for the countries of Western Europe.

Second, the Eurocommunists are no longer prepared to accept internationalism in the traditional Soviet version of 'proletarian internationalism' because, in effect, the Soviet Communist Party (CPSU) associates this concept with Moscow's claim to a position of ideological-political leadership within the world Communist movement and links this inextricably with the interests of the Soviet state. For the Eurocommunists, internationalism is conceivable only as voluntary co-operation and solidarity between all forces struggling for national and social emancipation.

Third, the Eurocommunists now accept the pluralism of political and social forces; they no longer reject the basic rights and political freedoms of bourgeois democracy as being merely 'formal', but credit them with a certain basic value and regard them as an integral part of their own model of socialism. Furthermore, the Eurocommunists want to obtain the support of a wide consensus of the population at every stage along the road to socialism—an intention based on the lessons derived from the events in Chile and Portugal, as well as in Eastern Europe. Jean Kanapa, member of the Politburo of the French Communist Party, went so far as to describe the form of society envisaged by his party expressly as a 'democratic socialism', to distinguish it from Soviet socialism which was

Dr Timmermann is a member of the *Bundesinstitut für ostwissenschaftliche und internationale Studien* in Cologne. This article is based on a paper recently presented to the Political Committee of the North Atlantic Assembly in Brussels.

marked by 'serious misrepresentations of the past' and by 'continued shortcomings in the democratic progress'.¹

Fourth, the Eurocommunists' foreign policy concepts have increasingly moved from their traditional internationalist system of reference towards a dimension of their own, orientated towards their national interests and conditions in their region. The attitudes towards the EEC of the Italian and Spanish Communists, for example, can hardly be reconciled with Soviet policy at all: the two parties advocate not only the economic but also the political (and, to some extent, the defensive military)² integration of the European Community with supranational institutions and authorities.

The West may look upon these developments as presenting either dangers, or, perhaps, opportunities—as subtle manoeuvres skilfully engineered to mask the Eurocommunists' designs to seize power, or as a long-term strategy for the building of democratic socialism. The author, for his part, would urge caution against thinking in such extreme alternatives, which do not do justice to the dynamic nature of the process of change within Eurocommunism, or to the complexity of the problems involved.

The Soviet analysis

However, this article is not concerned with the Western but with the Eastern and, in particular, the Soviet reaction to the transformation in the ranks of the Eurocommunists. This process of change presents opportunities and dangers for Moscow and its followers, too, with the Soviet side apparently feeling that the dangers are on the increase and the opportunities on the decrease. How does the Soviet leadership account for this course of events, what defensive strategy has it developed to combat it, and in what perspective does it view its relations with the Eurocommunists?

As far as an analysis of the causes of Eurocommunism is concerned, the Soviet politicians and ideologists have proved unable, and probably not even willing, to undertake a thorough and realistic appraisal of the motives involved. They proceed on the assumption that the new outlook of the Eurocommunists is not rooted in the parties themselves but is something which is imposed on them by external factors. The motive behind this approach is the intention—directed primarily at the public in their own sphere of influence—to emphasize the inviolability of the nucleus of 'universal laws' of Marxist-Leninist ideology, strategy and tactics and to suggest that only certain unreliable elements within these

¹ *France Nouvelle* (Paris), No. 1614, 18 October 1976.

² For the PCI, see Giorgio Amendola, *Rinascita* (Rome), No. 47, 30 November 1973, for the PCE, Santiago Carrillo, interview with *Suomen Kuvalehti* (Helsinki), 4 February 1977.

parties are susceptible to the 'softening-up' influences of the West. The Soviet politicians maintain, for example, that

(i) The reorientation of the Eurocommunists can be attributed largely to the fact that the rapid growth of these parties has swelled their ranks with elements of primarily petty-bourgeois origin, which have not yet been ideologically and politically consolidated and are now putting pressure on their party leaderships to further their reformist concepts.

(ii) The Eurocommunists have succeeded, in the wake of détente, in consolidating their national foothold and are assuming more national responsibility. They are thus tempted to give national interests priority over international considerations.

(iii) The differences in outlook between the ruling parties of Eastern Europe, on the one hand, and the Eurocommunists, on the other, are caused by the time lag between the two groups in the transition from capitalism to socialism and disappear when seen in historical perspective. The fulfilment of the historic mission of the working class and its Communist Party is based on identical universal laws, which, admittedly, are not all developed and applied at the same time.

The Soviet view concedes that there can and will be differences of opinion between ruling and non-ruling Communist parties on a number of specific questions, but these differences must not be allowed to go beyond a certain limit. There are three main provisos on which Moscow makes the continuation of normal relations with the Eurocommunists conditional. First, the Eurocommunists must not look upon their own specific concepts as a long-term strategy for the attainment of democratic socialism, but must regard them merely as a tactical approach towards the seizure of power. For, in Moscow's eyes, as stated above, the fulfilment of the historic mission of the working class rests on identical universal laws, which have attained their most advanced state of development in Soviet society. Second, the Eurocommunists must refrain from trying to impose their own concepts on the Soviet Union and its East European allies. For it would be absurd to attempt to turn a society such as the Soviet one, which 'contains in a concentrated and generalized form, the essence and the living image of mature socialism',³ back to stages of development which it has long surmounted. Third, the Eurocommunists must support Soviet foreign policy in its basic lines, even at the price of certain sacrifices in the short term. For in Moscow's eyes the strengthening of the Soviet Union and the 'socialist community' is an essential precondition for the continuation of the policy of détente, to which the Eurocommunists owe their present room for manoeuvre in the field of domestic policy. Indeed, Soviet power is essential for the strengthening and propagation of Communism throughout the world.

³ Boris Ponomarev, 'International significance of the 25th CPSU Congress', *World Marxist Review* (Prague), No. 5, May 1976, p. 2

Moscow's fears

A comparison of these conditions with the central points in the re-orientation of the Eurocommunists must leave the Soviet leaders uneasy. They consider the effects of Eurocommunist concepts on their East European satellites to be particularly dangerous, especially since reformist Communist forces in these countries increasingly point to the Eurocommunist example and, together with the wider circle of the civil rights movements, receive moral support from the Eurocommunists. Moscow rightly fears that this, in conjunction with the potential effects of Basket III of the Helsinki Final Act and the economic difficulties in some countries of the Eastern bloc, could, in the long term, endanger the system. At any rate, as Helsinki and East Berlin showed, the two conferences were unable to fulfil the function which Moscow had originally envisaged for them—that of securing and legitimating Soviet predominance in important fields of international politics.⁴

Moreover, the Soviet Union is distrustful of the Eurocommunists' European policy and its potential long-term consequences. Not by chance the attacks launched by Moscow in 1974 and again in 1977 against the Spanish Communist Party were directed precisely at the policy of European political unity as advanced by the Italian and Spanish Communists. For Moscow regards this as a union based 'on what is in effect an anti-Soviet platform'—a union 'that would channel the West European democratic and Communist movements to some highly dubious "third" or "middle" road, somewhere between capitalism and socialism' and which would amount to 'setting the West European countries apart as a "force" opposed primarily to the socialist states'.⁵ In fact, a Western Europe which, with the evolution of Eurocommunism, could, perhaps, in the long term overcome the historical schism within the workers' movement and develop into a politically homogeneous, economically dynamic, and, possibly, a militarily integrated power factor on the Western flank of the Soviet Union's East European sphere of influence, exercising commensurate influence on the smaller Communist states such as Poland, Hungary, East Germany and Czechoslovakia—such a Western Europe is bound, in the eyes of the Soviet leadership, to represent a danger.

How is Moscow reacting to the Eurocommunist challenge? On the one hand, there is no intention of making any concessions to the Eurocommunists in fundamental matters of ideology, for this would have unforeseeable consequences for the Soviet hegemony in Eastern Europe

⁴ See Milorad Popov, "'Eurocommunism" and the pan-European conference', *The World Today*, October 1976, Richard Davy, 'The CSCE summit', *ibid*, September 1975, and 'Helsinki scoreboard', *ibid*, August 1976.

⁵ 'Contrary to the interests of peace and socialism in Europe. Concerning the book *Eurocommunism and the State* by Santiago Carillo, General Secretary of the Communist Party of Spain', *New Times* (Moscow), No. 26, June 1976.

and even in the Soviet Union itself. On the other hand, there are many indications that there are differences of opinion within the Soviet leadership as regards the best tactical approach towards the Eurocommunists—differences between advocates of a hard line such as Suslov, Ponomarev and Zorodov and supporters of a more flexible course like Brezhnev himself and his confidants such as Zagladin.

Thus the reaction of the Soviet leadership in the face of the Eurocommunist challenge is typical of its behaviour in other complex situations: it tries to keep all its options open for as long as possible and to evade repeatedly decisions on matters of principle. For a break with the Eurocommunists is a step which, for a number of reasons, Moscow would be reluctant to take, at least for the time being. On the one hand, a further disintegration of the Communist movement would, in the long run, undermine the CPSU's legitimacy in its own country and in its East European sphere of hegemony and would vindicate those (for example the Chinese) who describe Soviet policy as great-power politics. Indeed, according to Brezhnev, it is precisely the 'comradeship-in-arms of the Marxist-Leninist parties' which forms the 'sound foundation' and the 'cementing force' of the socialist community. There is also the fact that any Soviet plans for a break with the Eurocommunists would probably meet with serious reservations or even opposition from some of their sister parties in Eastern Europe. For the Hungarian, Polish and, to a certain extent, even the East German Communists are interested in countering a one-sided integration into the Soviet-dominated Eastern system by cultivating relations with their strong Western sister parties. Thus not only the Rumanians but also the Hungarians saw in the Soviet attack on the Spanish Party leader, Santiago Carrillo, an opportunity to defend every Communist Party's right to elaborate its own line. Even the Polish and East German Communists maintained a remarkable reserve on the subject of Moscow's attacks.

There are also foreign-policy reasons behind the Soviet leadership's interest in avoiding a break with the Eurocommunists. Moscow still lays great store by the support which the Eurocommunists continue to give to Soviet foreign policy in a number of fields of central importance. The Soviet leadership is counting on being able to use these parties as a pressure group in favour of Moscow's state interests in the area of East-West relations, and as political factors in its policy of 'peaceful co-existence' and détente, which is seen as a dynamic process and is designed as an aid to extending Soviet influence in Western Europe. Thus the prime aim of the Conference of Communist Parties held in East Berlin in June 1976 was, in Moscow's eyes, 'to link up the peace policy of the socialist states . . . with the movement of the working class, its parties, and the widest masses of the peoples in the capitalist world'.⁶

⁶ See Boris Ponomarev, 'The international significance of the Berlin conference', *Kommunist* (Moscow), No. 11, July 1976.

This, of course, is where the classic dual nature of Soviet foreign relations—simultaneous cultivation of good relations both on an inter-party and on an inter-state level—takes on a new dimension for the CPSU, one which is complicating its relations with the Communist parties. On the one hand, the CPSU has no choice but to take steps to combat the ideological revisionism of the Eurocommunists and to press them to follow the fundamental laws of Marxist-Leninist thought. On the other, some of these parties are already so strong on the national level that the Soviet leadership is obliged to recognize their importance as serious factors affecting Soviet relations with other states and to treat them accordingly with due consideration. It is in this multi-level Moscow approach that we find the explanation for the CPSU's at first glance remarkable combination of ideological attacks on and political concessions towards the Italian Communists.

Defensive strategy

In the light of the complexity of the Eurocommunist problem, it is hardly surprising that the Soviet leadership should have no definite and consistent overall strategy and should be at a loss how to tackle the whole issue. Contrary to widespread opinion, the Soviet Communists and their satellite parties in Eastern and Western Europe are ideologically on the defensive rather than on the offensive. The revolutionary impetus and the ideological attraction of the early years of Soviet power are gone, and the hopes of the Khrushchev era and the days of the first sputniks of catching up with and even overtaking the West economically and technologically have not been fulfilled. The only instrument left to Moscow for the consolidation of its influence in Eastern Europe and, if possible, its extension to Western Europe is, in the last analysis, political power built on military strength—a political power whose legitimacy depends on ideological backing.

The Soviet leadership is therefore sparing no effort to make the ideological-political integration of the socialist community under the domination of Moscow more complete. It is in this context that we should see the renewed acclaim for Andrei Zhdanov,⁷ a development which must have been a provocation to the Eurocommunists, since it was Zhdanov, a man with Russian nationalist leanings, who, on Stalin's orders, established the Cominform in 1947—an institution which was given the tasks of welding together the Communist states under the banner of the 'Two Camps Theory', of taking offensive countermeasures against the influence of 'bourgeois ideology' and of transforming the Italian and French Communist Parties into pro-Soviet propaganda instruments. Though it would be wrong to jump to the conclusion that Moscow

⁷ M. Iovchuk, 'An outstanding functionary of the Communist Party', *Kommunist*, No. 3, February 1976; P. Rodionov, 'A fervent fighter for Communism' *Pravda* (Moscow), 10 March 1976.

intended to signal its reversion to the Cominform policy of totally screening off Eastern Europe and of confrontation with the West, the renewed emphasis on Zhdanov's achievements probably reflected an increased desire for security on the part of the Soviet Union, as well as its intention to buttress Eastern Europe more effectively against Western ideological-political influences. A series of conferences with these aims began in December 1973 with the meeting in Moscow of the secretaries responsible for international and ideological affairs in the Central Committees of the ruling parties of the Soviet Union, Poland, East Germany, Czechoslovakia, Hungary, Rumania, Bulgaria, the Mongolian People's Republic and Cuba. Two further meetings were held in Sofia: the first, of leading Party ideologists and social scientists on 16-17 December 1976 and the second, of the secretaries of the Central Committees responsible for ideology and international relations, on 2-3 March 1977 (parallel to the Eurocommunists' Madrid summit). On both occasions, the agenda included an appraisal of the extent to which the Eurocommunists were jeopardizing the East European system and the elaboration of a co-ordinated counter-strategy.

At the same time, the Soviet leadership has been sharpening its tone towards the Eurocommunists. Thus last December the Bulgarian Head of State and Party leader, Todor Zhivkov, no doubt in close consultation with Moscow, characterized Eurocommunism as an attempt to 'substitute national peculiarities for the general laws and universally valid aspects of revolutionary experience' and thus as pursuing 'one of the main lines of ideological subversion against proletarian internationalism.'⁸ The leadership of the CPSU took the French Communist Party even more vehemently to task by singling out the party historian, Jean Elleinstein, a close associate of the Party leader, Georges Marchais, as representing the whole reform-orientated faction of the leadership. Moscow accused him of casting doubts on 'the revolutionary doctrine of Marxism-Leninism and its significance for Communism' and of defaming the political system of the socialist countries. His works were hardly distinguishable in part 'from what frankly reactionary hacks write'.⁹

The climax of the campaign against the Eurocommunists was marked by Moscow's attack, referred to earlier, on Santiago Carrillo, the Secretary-General of the Spanish Communist Party. Indeed, the theories which Carrillo has developed in the course of recent years and which he has summarized and elaborated on in his book *Eurocomunismo y Estado*, published this year in Barcelona, were bound to have a very disturbing effect on the Soviet leadership. According to Carrillo, the October Revolution had created a state 'which is certainly not a bourgeois state, but

⁸ 'Year of peace, year of struggle', *World Marxist Review*, No. 12, December 1976.

⁹ Y. Sedov, 'Falsification instead of objective study', *New Times*, No. 5, January 1977.

which is not the proletariat organized as a ruling class either, and not yet a genuine workers' democracy'. Social contradictions and conflicts were being covered up; in effect, a bureaucratic stratum was ruling virtually uncontrolled over the people and even the Party. All this was far more detrimental to the credibility of the Spanish Communists than would be the case if the proletariat really ruled in the Soviet Union.

The interesting aspect of the Soviet attack is not so much its substance as its timing, for this reveals something of Moscow's possible future tactics towards the Eurocommunist heretics. Significantly, the attack came at a time when the Spanish Party was going through a difficult period: the Party's President, Dolores Ibárruri, returning home after 40 years in exile in Moscow, had voiced criticism of Eurocommunism and seemed to support those, predominantly senior, party cadres who disagree with Carrillo's reformist course. This situation was aggravated by the fact that the Communists' results in the election, at 9.2 per cent of the vote, were considerably worse than some sections of the Party had anticipated. Against this background, Moscow appeared to proceed on the assumption that a leadership struggle would break out within the Spanish Party which it would hope to exploit to isolate and eventually eliminate Carrillo and his followers. Moscow's attack was also quite obviously meant as a warning to the Italian and French Communists not to exceed certain limits in emphasizing their independence and criticizing Soviet policies. However, both Parties are now in a better position to assess what they can expect from Moscow if they run into difficulties on their way towards gaining government responsibility and do not want to give way to Soviet pressure on them to revise their Eurocommunist line.

All this does not by any means imply that East-West relations must also automatically take a turn for the worse. There are, however, two cases in which an adverse effect on the policies of détente could not be excluded. The first is if a Communist Party were to become a dominant factor in a Western government, reversing the traditional 'philosophy' of the Western alliance system and European integration and admitting more influence for Soviet power policy. This could happen, for instance, if the French Communists who are opposed to European integration were to win a leading position in a government of the Left. Such a development would have adverse consequences for East-West relations in general, for it would impel the West to reassess its policies towards Moscow. Secondly, in the case of Eurocommunist concepts becoming so strong an influence on Eastern Europe that the Soviet Union found it difficult to keep control over its East European allies, Moscow would have to reassess its relations with the West. Both cases are conceivable, though not very likely—not least because the Eurocommunists themselves are well aware that a rapid, uncontrolled transformation in East

and/or West could jeopardize the policy of détente on which their entire domestic and foreign policy strategy rests.

The real test

Nevertheless, in spite of the Carrillo case, the Soviet leadership will continue its endeavours to find a *modus vivendi* with the Eurocommunists on the basis of mutual non-interference in internal affairs for as long as possible. These tactics have proved successful to date in so far as the Eurocommunist leaders, at their summit conference in Madrid in March 1977, refrained from incorporating in their concluding statement a direct condemnation of measures taken by East European countries to suppress civil rights movements. Of course, this meant, on the one hand, giving way to some extent to Soviet pressure. On the other hand, it gave those parties in Eastern Europe which would like to see European Communism overcome its differences the opportunity to prevent open criticism of the Eurocommunists at the parallel meeting in Sofia, as had been the intention of the CPSU and its Bulgarian and Czechoslovak followers. Finally, it is certain that the determination not to provide ammunition for those who have been using the violation of human rights in some countries of Eastern Europe as an excuse for polemics against the policy of détente also played a certain role. For, despite their strong protests against such violations on a number of occasions, the Eurocommunists are also vitally interested in the continuation of détente, which paved the way for their emergence from isolation in the first place.

For the rest, the CPSU and most other East European Communist Parties appear to believe that the real test for the Eurocommunists and their concepts will not come until they have acquired governmental responsibility. Only 'practical experience' could be the 'criterion of the correctness or, conversely, the erroneousness of particular propositions', Brezhnev stated at the summit conference of European Communist Parties in East Berlin.¹⁰ Moscow is obviously of the opinion that the realities of day-to-day government will eventually force the Eurocommunists to have recourse to the traditional 'laws' and action patterns of Marxism-Leninism—for example to the dictatorship of the proletariat in one form or another—and to lean on the solidarity and material aid of the socialist community.

Should the dynamic forces underlying the transformation of the Eurocommunists continue to act, and perhaps even gain strength, if a Eurocommunist party assumes governmental responsibility, i.e. should the CPSU one day realize that the Eurocommunists' concepts and activities were, in the long run, more detrimental than beneficial to its interests, especially as a result of their growing influence in Eastern Europe, then

¹⁰ Brezhnev's speech of 29 June, *Soviet News* (Soviet Embassy, London), 6 July 1976.

the Soviet leadership could reconsider the situation. It could, for example, endeavour to 'finlandize' the Eurocommunist parties, i.e. to support groups loyal to Moscow within the ranks of the Eurocommunists, as it has already done in Finland, in order to exercise pressure on the party leaderships or even to force them to resign. That this is more than mere speculation is proved not only by the Finnish example but also by developments in the Communist Parties of Greece (the split in 1968), Spain (various Soviet attempts to split the party since 1969), Norway (the replacement of a reform-orientated leadership by one loyal to Moscow in 1975) and Sweden (the split in 1977).

However, apart from the fact that the Soviet leaders regard such a step only as a last resort, it is far from certain that they are still in a position to use such a lever on the Eurocommunists at all (except, perhaps, in the case of the French Party). Such a measure would probably have precisely the opposite effect to that intended. At any rate, the experience of the Carrillo affair, which eventually ended in reconciliation within the Spanish Communist Party and with a (temporary?) backdown by Moscow, cannot have been exactly encouraging for the Soviet leaders.

The divisions of the Rhodesian African nationalist movement

JOHN DAY

Although little keeps the nationalist factions apart in regard to policies, their leaders seem unable or unwilling to overcome their rivalries.

IAN SMITH has always been able to count, in his fight to preserve white supremacy in Rhodesia, on debilitating divisions among his African nationalist opponents. Faced with a continuously fragmented and fragmenting nationalist movement, the Rhodesian Prime Minister and his colleagues have attributed this disarray to personal ambition and tribal rivalries and have used the squabbles as evidence of political immaturity and incompetence. Even after Mr Smith had in September 1976 offered majority rule after two years, the nationalist leaders failed to present a united front in the conference that met at Geneva to work out a new constitution.¹ The history of the nationalists' quarrels while they have been

¹ For background to the Geneva conference, see Elaine Windrich, 'Rhodesia: the road from Luanda to Geneva', *The World Today*, March 1977.

Mr Day is Senior Lecturer in the Department of Politics at the University of Leicester and author of *International Nationalism* (London: Routledge & Kegan Paul, 1968).

agreed on the overriding importance of the single aim of ending minority white rule as soon as possible does not augur well for the future when, if they assume the major responsibility for government, they will face far more complex and potentially divisive problems.

The present division of the nationalist movement into five groups represents only the latest pattern to result from frequent shakes of the kaleidoscope. The story of the nationalist splits is long and tortuous. The first major division in the nationalist movement, which started in the late 1950s, occurred in 1963, when Ndabaningi Sithole, having failed to oust Joshua Nkomo from leadership of the nationalist party, Zapu (Zimbabwe African People's Union),² formed a separate party, Zanu (Zimbabwe African National Union). Most Africans stayed with Nkomo, but a strong minority supported Sithole. From 1963 to 1964 Zapu and Zanu devoted much of their energies to denouncing each other, and members of each party used physical violence against members of the other. After Smith's Rhodesian Front Government banned both parties in 1964, those leaders of Zapu and Zanu who escaped arrest and detention in Rhodesia concentrated on organizing guerrilla war from abroad, but they refused, in spite of strong persuasion from the heads of various African states and from the Organization of African Unity, to collaborate with each other. So two separate guerrilla forces operated independently for the same cause. In 1971 a few leaders from each party tried to reunite the movement, but most members of Zapu and Zanu refused to co-operate and the move towards unity resulted only in yet another party, Frolizi (Front for the Liberation of Zimbabwe), formed by the few from Zapu and Zanu who were prepared to work together.

Later in 1971 another new African organization, ANC (African National Council), was formed within Rhodesia under the leadership of Bishop Abel Muzorewa specifically to oppose a constitution agreed on by the British and Rhodesian Governments, which, if implemented, would have left the Africans a long way from the universal suffrage that they wanted. After successfully persuading the British Government that the Africans did not want the proposed constitution, ANC reconstituted itself as a full party with similar aims to the nationalist parties in exile, which were illegal in Rhodesia. The Government tolerated ANC because it declared itself against violence as a means of achieving its ends. It was this opposition to guerrilla warfare that divided ANC from Zapu, Zanu and Frolizi, who all insisted that fighting was essential to success.

² 'Zimbabwe' is the African name for Rhodesia. The first modern African nationalist party in Rhodesia was the African National Congress that was formed in September 1957, and which was banned in February 1959. It was resurrected as NDP (National Democratic Party) in December 1959. When NDP was outlawed in December 1961, it converted itself into Zapu. From 1963 to 1964 Zapu called itself PCC (People's Caretaker Council), because the Government had proscribed Zapu in September 1962.

In December 1974 these four fragments of the Rhodesian African nationalist movement did miraculously agree to unite by accepting the leadership of Muzorewa in a new, expanded ANC. This resulted from the efforts of Zambia and South Africa to bring the nationalists and the Rhodesian Government together to negotiate a constitutional settlement. While Zambia persuaded the nationalist leaders to form a new alliance, South Africa put pressure on Smith to release from detention the nationalist leaders, including Nkomo and Sithole, whom he had held for over ten years. Some of the Zanu leaders were reluctant to join the new ANC whose purpose was, initially at least, to negotiate, since Zanu was not eager to abandon the guerrilla campaign in the north-east of Rhodesia that it had successfully sustained since 1972. However, all the major nationalist leaders, with the exception of some Zanu guerrilla commanders, did join the new party.

Very soon tensions appeared within the reconstituted ANC between the ex-Zapu and the ex-Zanu leaders, as the rivalry of 1963 to 1964 lived on. In September 1975 the fragile unity of ANC broke when Nkomo split from Muzorewa to form his own organization. By the time the nationalists arrived in Geneva in October 1976 to discuss Smith's agreement to Henry Kissinger's proposals for a transfer of power to the Africans in two years, ANC had split further. Sithole and Robert Mugabe, who had earlier been a senior Zanu official, both set up their own parties, each trying to revive Zanu, although some old Zanu leaders followed neither, but stayed with Muzorewa. In addition to these divisions among the nationalist politicians, the gap that had opened in December 1974 between them and a group of guerrilla commanders had grown. These military leaders, led by Rex Nhongo, refused to subordinate their army to any political leader.

Misleading distinctions

The history of the Rhodesian African nationalist movement does not inspire confidence in the ability or willingness of the leaders to overcome their differences. Often the bitterness of the divisions seems out of proportion to the scale of the disagreements. Closer scrutiny of the present fragmentation will illustrate how little keeps the nationalist factions apart, but how unlikely they are to come together.

Some commentators try to distinguish between the Rhodesian nationalist leaders by calling some moderate and some extremist, but this distinction is misleading. Certainly none is moderate in the pejorative African sense of being prepared to accept a constitutional compromise that would lead to African self-government only after a very protracted period with no real African power. All the nationalists have always refused to contest parliamentary elections, because no Rhodesian constitution has offered more than token African representation in the present

or any possibility of African government for many years. Since the formation of the new, expanded ANC in December 1974 all the nationalists have refused to consider any political solution other than African self-government as soon as it is practicable to make the change. In 1975-6 the Nkomo group negotiated with the Rhodesian Government, while Muzorewa's supporters accused Nkomo of doing a deal with Smith, but this was untrue. Nkomo would have settled for less than one man, one vote, if he could have secured immediate majority rule, but he was not prepared to compromise on this primary objective. At Geneva in 1976 the four delegations, although differing on conference tactics and proposing different detailed plans for the government that would rule after the whites had ceased to monopolize power and before the blacks took over completely, were in agreement on the more important points that two years was too long to wait for majority rule and that Africans should have effective control of the interim government.

The nationalist political leaders have been basically united not only on the necessity for a swift transfer of power, but also on the roles of talking and fighting in achieving this transfer. The Nhongo group of guerrilla commanders do totally repudiate negotiation (although they briefly appeared at the Geneva conference towards its end), but the four groups of nationalist politicians were all willing to go to the Geneva conference which was called to work out the details of the transition to majority rule. Since December 1974, when the nationalist political leaders joined forces under Muzorewa, they have all adhered to the policy of seeking self-government through negotiation if possible, but of supporting guerrilla warfare if, as they expected, Smith would not voluntarily transfer power to them. Differences have occurred only over whether at particular times further negotiations were or were not a waste of time. Muzorewa and Nkomo disagreed on this after an abortive meeting with Smith at the Victoria Falls in August 1975. At Geneva Mugabe and Nkomo were even more sceptical than Muzorewa and Sithole about the prospect of a successful outcome to the talks with the Rhodesian Government. Whenever negotiations broke down, however, as those between Nkomo and Smith did in March 1976 and as the talks on the Kissinger proposals did in January 1977, the nationalist political leaders all asserted that the only way left for the Africans to win political power was through a guerrilla war.

Relations with the guerrillas

The nationalist leaders cannot be clearly distinguished from each other by their policies towards guerrilla war, but there are some differences in their standing with the guerrillas. All the political chiefs have tried to place themselves at the head of guerrilla forces, but some have been more successful than others. While they were imprisoned in Rhodesia between 1964 and 1974, Nkomo and Sithole were, as heads of their parties,

nominally in command of, respectively, the Zapu and the Zanu guerrillas, although in practice, of course, the control of guerrilla operations was in the hands of their lieutenants outside Rhodesia. Since Nkomo's release from detention in December 1974, when Zapu officially submerged its identity in the expanded ANC, the ex-Zapu guerrillas seem to have stayed loyal to him. The practical value to Nkomo of his association with these ex-Zapu guerrillas is, however, small, because they have since 1972 played only an insignificant role in the guerrilla war. In the last year many young recruits have crossed the border with Botswana on the way to join the ex-Zapu guerrillas in Zambia, but it is too early for them substantially to affect the guerrilla war effort and consequently to alter significantly Nkomo's influence as a political leader of guerrillas.

The most effective guerrilla attacks, which have transformed the scale and nature of the war, have been those made since 1972 in the east of Rhodesia by Zanu guerrillas. Until 1972 no guerrillas had seriously extended the security forces, who fairly quickly mopped up each incursion. Since 1972 the Rhodesian army has been under constant pressure to keep the guerrillas at bay, the economy has been strained to finance the defence of the country, and the white work force has been seriously depleted to reinforce the army.³ After his release from detention at the end of 1974, Sithole expected to convert his nominal leadership of these successful Zanu guerrillas into real authority. Consequently, in 1975, he put more emphasis on the probable necessity of guerrilla war to win majority rule than on the possible efficacy of constitutional negotiations, counting on becoming the most important political leader if self-rule came as a result of the Zanu guerrillas' victory. Nkomo, by contrast, spoke less militantly than Sithole at this time, because he believed that, if the Africans won power through the efforts of the Zanu guerrillas, he would have no political future. Nkomo's calculations were very probably accurate, but Sithole's were not, for he failed to muster the support from the guerrillas that he expected. His emergence from prison coincided with a period of intense and sometimes violent strife among the Zanu guerrillas. One of the warring factions, led by Josiah Tongogara and Nhongo, who were leading members of the High Command, did not accept Sithole as leader of the Zanu forces. The causes of the disputes within Zanu, which culminated in the murder in March 1975 in Lusaka, of Herbert Chitepo, the director of guerrilla operations, were complex

³ On the guerrilla war, see Kees Maxey, *The Fight for Zimbabwe The Armed Conflict in Southern Rhodesia since UDI* (London: Rex Collings, 1975 (second edition)), Anthony R. Wilkinson, *Insurgency in Rhodesia, 1957-1973 An Account and Assessment* (Adelphi Paper No. 100, London: The International Institute for Strategic Studies, 1973), Anthony R. Wilkinson, 'From Rhodesia to Zimbabwe', in Basil Davidson, Joe Slovo, Anthony R. Wilkinson, *Southern Africa. The New Politics of Revolution* (Harmondsworth, Middlesex, England: Penguin Books, 1976), pp. 211-352.

and are disputed.⁴ One strand of the quarrel, however, seems to have been resentment by some of the military leaders, who lacked any specifically political experience, of the prominence within the War Council, which organized the guerrillas from Lusaka, of several men, like Simpson Mutambanengwe, who had been elected national office-holders when Zanu was a legal party within Rhodesia and who had no military training or experience. Those military men who tried to throw off the yoke of politicians in Lusaka did not want to accept another politician, Sithole, as their leader, even if he had been President of Zanu since the party's inception. Also, although Sithole spoke aggressively about guerrilla war as being the only probable solution, he had, as part of the agreement under which he was released from prison, accepted that the new ANC, of which he was a member, would try talking before it resorted to fighting. He did not treat this undertaking very seriously, but some of the guerrilla commanders disliked any talk of winning self-government by means other than violence. Many of the guerrilla commanders, including Tongogara, were imprisoned by the Zambian authorities as suspects in the murder of Chitepo,⁵ but those who escaped, like Nhongo, did not acknowledge the legitimacy of ANC, did not accept Sithole as their leader, and acted independently of all politicians. That has remained the position ever since. What is difficult to ascertain is how many ex-Zanu guerrillas follow Nhongo and how many retain some loyalty to Sithole (or to some of the other opponents of Tongogara and Nhongo, like Mutambanengwe, who now support Muzorewa and not Sithole, although he has set up his own party again).

The nationalist politician who has most clearly identified himself with a powerful segment of the guerrilla forces is Mugabe. In 1976 he presented himself to the world with some success as the political leader of the guerrilla army led by Nhongo, which claims credit for the major guerrilla achievements in the east. Certainly Mugabe is the only leading nationalist politician whom the Nhongo group of commanders trusts, but they treat him as an ally or ambassador who will represent their point of view, not as a superior from whom they take their orders. Consequently Mugabe is not formally or effectively head of Nhongo's guerrilla army. Mugabe talks more fiercely than the other nationalist leaders, but, as he does not command the guerrillas, the difference between him and the other politicians may not be much more than one of rhetoric. Like them, he lacks military training and experience. The guerrilla commanders do not wish

⁴ Compare the conflicting accounts in the *Report of the Special International Commission on the Assassination of Herbert Wiltshire Chitepo* (Lusaka, March 1976), which was commissioned by President Kaunda of Zambia, and *The Price of Detente—Kaunda prepares to execute more ZANU freedom fighters for Smith* (mimeograph, London 1976), which was written by supporters of Tongogara and his associates.

⁵ Tongogara and most of the others who were arrested were released in October 1976, when the cases against them were withdrawn.

to surrender to him the power over Rhodesia's future that they have won through success in the field.

Of all the Rhodesian nationalist political leaders, Bishop Muzorewa is probably the least attractive to the Nkhomo group of guerrillas, because he did not support guerrilla war until after December 1974, and only as a last resort between then and August 1975. However, in the first part of 1975 Muzorewa did, along with the other ANC leaders, visit guerrilla camps and solicit guerrilla support. He does now admit that no identifiable guerrilla group acknowledges him as political leader. Yet a very large proportion of the guerrillas now in the field or in base camps left Rhodesia for training abroad in 1975, when Muzorewa was, at first, the undisputed leader of the nationalist movement within the country and, later, after Nkhomo left him, the head of the largest faction. Consequently many young men who became guerrilla recruits in 1975 (and indeed after that) regarded Muzorewa as *the* nationalist leader, who symbolized their aspirations. Unless they have changed their allegiance, he has considerable support among the guerrillas, although it is not formally organized.

So, even the differences in guerrilla support for the nationalist leaders, which at first sight appear crucial in distinguishing between them, tend to crumble on closer examination. Similarly any supposed explanation of the nationalist splits based on opposition of Marxists and non-Marxists, or of schools of Marxists, proves to be illusory. The Rhodesian Front construes its fight against African nationalism as a defence of Christian civilization against the tools of an international Communist conspiracy, but the nationalists are not fundamentally interested in Communism as an overarching doctrine or as a political system. Their basic concern is to destroy racial discrimination in Rhodesia and to that end they are willing to employ a variety of means, including, sometimes, Marxist ideology, socialist economics and material aid from Communist states. These pragmatic uses of Communism do not determine the boundaries between the nationalist factions. That one group receives money, arms and military training from Russia or China does not make it subservient to that state's particular brand of Communism. Some of the guerrillas received military training in Communist countries or from Communist instructors in African countries, but not all of them received Marxist indoctrination. Some guerrillas are affected by Communism more than others, but this has not caused the animosities among them. Similarly, the degrees of commitment to Marxism are not what separates the political leaders, nor does similarity of attitude towards it bring political unity. They all call themselves 'socialists', although their inspiration owes as much to their interpretation of the communal values of traditional African societies as it does to Marxism. All four party leaders owe something to Lenin in their denunciation of imperialism but

none of them, including Mugabe, who speaks most radically, regards himself as a Marxist. Within the parties are men who have absorbed more Marxism, but this does not decide which party they belong to. George Nyandoro, for example, who was one of the founders of African nationalism in Rhodesia, became a Marxist, but had no difficulty in accepting the leadership of Muzorewa who, because of his Christian commitment, is the political leader furthest from Marxist orthodoxy.

Where there is a major difference between Mugabe and the Nhongo guerrillas, on the one hand, and Muzorewa, Nkomo and Sithole, on the other hand, is in the amount of nationalization that they propose to introduce immediately when they obtain control of Rhodesia. Mugabe and Nhongo want to bring all economic resources at once under socialist direction, whereas the other leaders favour a piecemeal, pragmatic approach. The difference, however, reflects a disagreement, not about socialist theory, but whether change in Rhodesia must be revolutionary. If the Nhongo guerrillas won power by military victory, they would be vindictive to their white opponents and unprepared to work with them either in administration or in the economy. Mugabe supports this radical approach, but many leading officials in the other political parties, especially Muzorewa's and Nkomo's, want gradual change once majority rule is achieved and co-operation between black and white, in order not to cause dislocation that would harm both races.

The similarity of their opposition towards radical solutions, however, does not bring leaders within the Muzorewa and Nkomo factions together, which reinforces the thesis that policy differences are not the principal determinants of political rivalries. Mugabe's policy differences from the other political leaders are probably not so much a cause of his acting independently as a means by which he can identify his own bid for power. The divisions between the various nationalist factions originated in and are sustained by the leaders' contempt for each other's leadership, and by their ambitions to increase their own personal power. The first major split occurred in 1963 because Sithole believed that Nkomo was an insufficiently dynamic leader and tried to replace him. The ANC divided in 1975 because neither Muzorewa nor Nkomo wished to serve under the other. Mugabe formed his own faction in 1976 because he despised the other political leaders and believed that his best chance of political power in an independent Zimbabwe lay in allying with the Nhongo guerrillas.

Future prospects

Unfortunately for the nationalist movement, its history does not suggest that the prospects for lasting reunification are good, although the causes of division may be trivial. The imperfect unity of the expanded ANC, for example, was achieved only in 1974, over eleven years after the original split between Zapu and Zanu, and it lasted only eight months. In

1976, less than two years after the parties came together in the new ANC, fighting took place between ex-Zanu and ex-Zapu guerrillas, and between pro-Mugabe and pro-Sithole guerrillas. The longer the quarrels go on, the more bitter become the rivalries and the more remote the chances of unity.

There exists some degree of unity in the Patriotic Front, which Mugabe and Nkomo formed just before the Geneva conference. However, this Front includes only two of the four political groups and, as an alliance, not a party, it preserves the identities of its member units. The Patriotic Front could prove a fragile combination, since Nkomo and Mugabe formed it, not from mutual trust or respect, but to supplement their particular inadequacies. From 1963, when Mugabe helped lead the revolt against Nkomo's leadership of Zapu, until 1974, they were bitter opponents. During parts of 1975 and 1976 they adopted different tactics, Mugabe seeking guerrilla support abroad, Nkomo negotiating with Smith in Rhodesia. Temperamentally and in personality they form contrasts: Nkomo relaxed, unfanatical and vague, Mugabe arrogant, intense and intellectual. Their alliance was purely one of convenience. Nkomo, with weaker popular support in Rhodesia than Muzorewa and without an effective guerrilla following, tried to lose any reputation for moderation that he might have acquired in talking to Smith by allying himself with the fiercely spoken Mugabe, and hoped to strengthen his general standing by association through Mugabe with the successful Nhongo guerrillas. Mugabe, lacking any organized support in Rhodesia and never having been elected a party President (unlike Nkomo, Sithole and Muzorewa), aimed to acquire some following in Rhodesia from Nkomo's party, and to gain some status by acting with Nkomo, the most experienced nationalist leader, who in the expansive pioneer days of 1957 to 1963 epitomized a united nationalist movement, and who is the best known nationalist outside Rhodesia. Whether the motives which brought Nkomo and Mugabe together are sufficient to perpetuate their alliance must be doubtful, especially in the light of Mugabe's record for revolt, leaving Nkomo in 1963, conspiring to replace Sithole as leader of Zanu in 1974, while both were in prison, and breaking from Muzorewa in 1976. In fact, the two elements of the Patriotic Front sometimes fail to co-ordinate. After the bomb blast that killed eleven people in a Salisbury store in August 1977, Nkomo blamed the Rhodesian authorities, while another Patriotic Front spokesman claimed credit for Zanu. Even if the leaders wish to act together, their followers may put strains on the alliance. There have been reports in 1977 of fighting between guerrillas from the two wings of the Patriotic Front.

If, as seems probable, the nationalist movement does not achieve unity, which leaders are best placed to gain power when the white minority is removed? If African government comes as a result of military victory by

the Nkhondo guerrillas, all the politicians, including even Mugabe, may find themselves impotent and irrelevant. If, however, African rule results from a negotiated settlement and not solely from guerrilla war, the politicians who can command the greatest support in elections will naturally be the most powerful. The guerrilla commanders would probably refuse to participate in such elections, rejecting any constitution that they did not impose. If Mugabe contested the election, he might do poorly, as he has not visited the country since 1975 and does not have a strong organization within Rhodesia. Sithole, too, would suffer from the lack of a long established party inside the country, having returned from two years' absence abroad only in July 1977; he would have principally to rely on the loyalty of some older Africans, who supported his denunciation of Nkomo in 1963 and who remember his conviction in 1969 for conspiracy to assassinate Ian Smith. Nkomo has several advantages over Sithole. Among the older Africans he would probably have a greater following, because more stayed with him than went to Sithole in the 1963 split. Nkomo has been President of a major nationalist party almost continuously since 1957, which none of his rivals can claim. He is particularly popular in his native Matabeleland⁶ and has a well organized party. Muzorewa's party, however, is as well organized and better supported. It has a strong majority in and around Salisbury and is even more popular in the eastern districts. For most of those who have come of political age since 1974, Muzorewa has been the leader whom the other leaders have deserted. In the early days of his political career Muzorewa sounded more evangelical than nationalist, and in 1974 he offered some constitutional concessions to Smith that the ANC executive rejected as tantamount to surrender. However, he has now successfully erased the memory of his political immaturity. Somewhat ironically, Muzorewa, who entered politics reluctantly only in 1971, long after his rivals, and who at first, unlike them, opposed the use of violence, has now become the first choice of the militant masses.⁷

⁶ Matabeleland is the area of the Ndebele tribe, but Nkomo's party is not based on tribal loyalty. Several members of his executive are from the other major tribal grouping, the Shona.

⁷ Whether some of Muzorewa's popular support may be eroded by recent resignations from the national executive of his party remains to be seen. It is sadly illustrative of the nationalists' inability to unite that those who resigned and who consequently added to the fragmentation of the movement justified their behaviour on the ground that some others on Muzorewa's executive had obstructed moves towards unity with other factions.

Canada and the Community : one year after

ROBERT BOARDMAN

The interesting experiment in transgovernmental collaboration between Canadian officials in Brussels and the European Commission still faces daunting obstacles.

CANADA'S 'contractual link' with the European Community came into force a year ago, on 1 October 1976.¹ In some ways an unusual document, the Framework Agreement for Commercial and Economic Co-operation has prompted conflicting reactions on both sides of the Atlantic. Optimists have viewed it as a novel instrument that will help to promote trade and investment links between a Europe dependent on foreign supplies of raw materials and a Canada keen to stimulate exports of semi-manufactured products and interested in attracting controlled capital investment. The sceptical have seen little more than a political snook cocked by Ottawa at the United States, given form by an opportunistic European Commission which seized on Canada's predicament as a means of extending Community competence. The agreement is the first between the EC and a Western industrialized country. It launches the Community firmly into the area of economic co-operation in its external relations and forms a central lever in Canada's foreign economic policy. A provisional stock-taking is therefore timely.

Canadian objectives in seeking a more formalized relationship with the EC have been clear since at least 1970. Pursuit of a European, and also a

¹ European Communities, *Official Journal*, L 273/15, 6 October 1976. Text of the Agreement, L 260/2-5, 24 September 1976. For background, see E. F. Mahant, 'Canada and the European Community', *International Affairs*, Vol. 52, No. 4 (October 1976), pp. 551-64. The negotiations themselves are discussed in more detail by Charles Pentland, 'Linkage Politics: Canada's contract and the development of the European Community's external relations', *International Journal*, Vol. XXXII, No. 2 (Spring 1977), pp. 207-31. See also Marion Bywater, 'L'accord cadre entre la CEE et le Canada', *Revue du Marché Commun*, No. 199 (September 1976), pp. 369-72.

Mr Boardman is Associate Professor of Political Science at Dalhousie University, Nova Scotia. He is currently engaged in research at the Centre de Recherches sur les Institutions Internationales in Geneva. His article is based partly on interviews with Canadian, Community, and EEC member government officials conducted in Brussels and several European capitals during December 1976 and April-May 1977. The author would like to thank those who assisted him in this way, though the responsibility for the conclusions remains his own. The research forms part of a broader study of Canadian foreign policy being carried out by the Centre for Foreign Policy Studies at Dalhousie University with support from the Donner Foundation of Canada.

Japanese, connexion flows from the so-called 'third option' of Canadian foreign policy: it was concluded early in the 1970s that the alternatives of either staying put or of moving still closer to the United States were, on balance, less acceptable than attempting to diversify Canada's overseas trading ties in both an Atlantic and a Pacific direction. As Britain was joining Europe, Ottawa sought compensation through the provisions of Gatt, but more positive measures were also thought necessary. With the Community emerging as a major world economic grouping, Canadian interests could no longer be adequately promoted solely through the traditional bilateral links with its member states. Further, the export of Canadian manufactured and semi-manufactured goods was failing to keep pace with absolute levels of increase in Canadian-EC trade. Multi-lateral frameworks for Canadian-European exchanges did exist, notably Nato, the OECD, and the ECE and other United Nations bodies. These were supplemented after the Paris summit of October 1972, and discussions following Canada's aide-mémoire of 7 November 1972, by a series of twice-yearly meetings between Canadian and Community officials on a broad range of world economic issues. In the Canadian view, however, a gap still needed to be filled—with what was less clear.

Partly because of this uncertainty, a complementary European interest arose somewhat belatedly and by fits and starts. It was obscured during 1973-4 by the impression that Ottawa was in effect seeking a declaration of common principles similar to that then contemplated for United States-European relations. Canada's motives appeared simple enough. Ottawa was being pulled to Europe by British membership of the EC, and pushed by the intensity of the American embrace. Two responses seemed appropriate: polite disinterest, or else the granting of a symbolic favour which would smooth frictions. The beginnings of an appreciation that some concrete benefits could also accrue to the Community can be traced to the energy crisis of 1973. Interest in Canada as a politically stable supplier of raw materials was reinforced by later developments, including Canadian co-chairmanship in 1976-7 of the Conference on International Economic Co-operation (CIEC). A report of the European Parliament of September 1976, for example, noted that Canada came first in the world league as a producer of nickel (40 per cent), silver (17 per cent), zinc (23 per cent) and asbestos (34 per cent); and second as a producer of uranium (20 per cent) and coniferous wood (10 per cent).² In addition, the Commission was pressing more generally for the inclusion of industrial co-operation in the Community's external relations. Unless this happened, it warned, raw material producers would not look on the Community as a negotiating partner, but would prefer to deal direct with member states.³

² European Parliament, Doc. 287/76, 13 September 1976, p. 12.

³ European Parliament, Doc. 380/76, 8 November 1976, p. 13.

The negotiations

Discussions in the spring of 1974 ruled out some options: the declaration of principles idea; a preferential trade agreement (contrary to Gatt); and a non-preferential accord (a re-statement of Gatt principles and therefore pointless). The notion of a framework agreement on economic and commercial co-operation, suggested by the Commission, set up a new momentum from February 1975. Two main sets of issues then held up the start of formal negotiations later that year, produced sticking points in the talks themselves (held between 11 March and 20 May 1976) and continue to shape the course of the relationship.

First, some acknowledgement of the principle of stability of supply of raw materials was viewed on the European side as an essential ingredient of a closer working relationship. This proved impossible to formalize. Canadian repudiation of the role of hewer of wood and drawer of water, and insistence that value be added to raw materials before export, ruled out a symmetrical relationship based on European capital, manufactures and technology, and Canadian primary products. In turn, a Canadian proposal that a counterbalancing reference to access to markets be incorporated in the text encountered a European reluctance to place Canada for negotiating purposes on a par with Less Developed Countries, and to grant her appropriate privileges. Article II(1)(c) of the Agreement thus provides simply for the Contracting Parties to 'take fully into account their respective interests and needs regarding access to and further processing of resources'. Among the objectives of economic co-operation enumerated later is included also a reference to 'the opening up of new sources of supply and new markets' (Article III(1))⁴

A twist given to earlier Canadian-European talks on these matters by Denmark raised questions still central to the contractual link. Early in 1975, Danish officials were taking a tough stand in Paris during negotiations on Chapter V of the long-term energy programme of the International Energy Agency (IEA) of the OECD. In exchange for points demanded by producer states, particularly on the question of a minimum safeguard price for oil, it was argued forcibly that consumer nations be granted significant concessions, notably with respect to the principle of non-discriminatory access to energy products. Canada was visibly culpable on this point. Her two-price energy policy discriminates against foreign buyers, albeit American rather than European purchasers. In general against the better judgment of the other eight EC member states, Denmark then proceeded to link the Paris and the Brussels-Ottawa exchanges by effectively barring the way to formal negotiations on the contractual link until Ottawa changed its position in the IEA. Given, however, the complicating factor in the Canadian case of the constitutional

⁴ For the negotiations concerning non-discriminatory access to resources and stability of supply, see exchange of letters, European Communities, *Official Journal*, C 231/2, 2 October 1976

competence of provincial governments in resource matters, the most that could be achieved was a statement in which Canada undertook gradually to align her position with those of other participating countries in the long-term programme. It was not until these and related points had been patched up in Paris during December 1975 and early January 1976 that Copenhagen in effect gave the go-ahead for the delayed negotiations with Ottawa on the Framework Agreement to start in Brussels.

A second set of questions follows from the balance of interests on the part of the various Community actors. As an innovative document, the proposed agreement was vulnerable to attack from member states on the issue of competence. Article 113 of the Treaty of Rome provides for a common commercial policy towards third countries based on uniform principles, but makes no stipulations with regard to economic co-operation agreements between the Community and such countries.⁵ Despite the success of Mr Trudeau's visits of October 1974, ambiguity on this point remained a thorny question for both the British and French Governments. This reservation, in turn, led to Canadian criticisms of European obstructiveness. Only in September–October 1975 did France, and then Britain, stand down from their earlier position that any final document would have to be signed jointly by the Commission on behalf of the Community, and by each member state as well. Canadian diplomacy in London was effective in helping to secure political interventions to overrule objections raised by officials. Article III(4) of the Agreement makes it clear, then, that 'the present Agreement and any action taken thereunder shall in no way affect the powers of the Member States of the Communities to undertake bilateral activities with Canada in the field of economic co-operation and to conclude, where appropriate, new economic co-operation agreements with Canada.'

Indeed, Canadian diplomatic efforts were matched by a determined campaign on the part of Community officials to win support for the proposed accord. Particularly important were the actions of M. Ortoli and Sir Christopher Soames in giving the position developed by the officials most directly concerned in the Commission's Directorate-General I a broader measure of political acceptability. Of the other member states, the Federal Republic, like Britain, had first to check that nothing envisaged by the agreement ran seriously counter to US interests. The vagueness of its wording ensured that no alarm registered in Washington. A predisposition on the part of Bonn to view it favourably as a Community-strengthening instrument was then consolidated in the atmosphere created by Canada's expansion of her Nato commitments during 1975, and by her interest in purchasing the Leopard tank.⁶ The Benelux coun-

⁵ See Werner J. Feld, *The European Community in World Affairs: Economic Power and Political Influence* (New York: Alfred, 1976), pp. 21–3.

⁶ For a later review of the background of Canadian-German defence relations, see Robert Held, *Frankfurter Allgemeine Zeitung*, 17 May 1977.

tries were consistently positive. The Hague, indeed, went beyond mere approval into active diplomacy to secure agreement when exchanges seemed to be faltering, particularly over the competence question raised by the United Kingdom and France. Italian support was confirmed following Mr Trudeau's 1975 visit, while Dublin, in addition, had a clear incentive in seeking to expand the already sizeable Canadian investment in Ireland.

Implementation of the agreement

What, then, of developments since the Agreement's coming into force? It provides (Article IV) for the establishment of a Joint Co-operation Committee (JCC). The task of this body is 'to promote and keep under review the various commercial and economic co-operation activities envisaged between the Communities and Canada'. The agreement, as Canadian officials have frequently to point out to critics probing for concrete results, is a framework. It indicates possibilities, points in certain directions, makes suggestions about means. The tasks of the JCC, then, are not set down precisely, nor are the sectors in which economic and commercial co-operation might take place pinpointed.⁷ It met for the first time in December 1976 and is scheduled to meet again shortly: the agreement provides for sessions at least annually. In addition, two sub-committees have been set up, the industrial subcommittee holding initial meetings in the spring of 1977. By mid-1977, four working groups for specific sectors had been established and a further two planned.

These formal meetings represent the tips of an iceberg of activity. Canada's ambassador to the Communities, Marcel Cadieux, has described it as a '*diplomatie nouvelle, une véritable diplomatie des affaires, pratique, expérimentale*', operating in the various sectors of potential development.⁸ Those identified so far include aerospace, telecommunications, non-ferrous metals and forest products. The last sector is itself characteristic of the agreement's foundations: Canada produces a different range of timber than do the Less Developed Countries linked to the Community, and in addition is interested in exporting construction technology as well as the products themselves. Other sectors, including bauxite, asbestos, coal and iron, might be longer-term possibilities. Here, as elsewhere, progress is dependent on conditions largely out of the control of governments. An unofficial Canadian report of May 1977, for example, argued that additional overseas markets would be necessary to

⁷ Article III(2) mentions a number of possible steps: broader inter-corporate links between the parties' respective industries, especially in the form of joint ventures; greater participation by their respective firms in the industrial development of the parties, increased and mutually beneficial investment; technological and scientific exchanges, and joint operations by their respective firms and organizations in third countries.

⁸ Conférence de Marcel Cadieux, Chambre de Commerce belgo-canadienne, 28 juin 1977 (*mimeo*), p. 7

absorb all potential production of metallurgical coal, but that Japanese, rather than European, steelmakers would remain Canada's best customers into the 1980s.⁹ An important aspect of this activity has been the exchange of missions between Canada and Europe, the first of which took place in 1975, before the link itself came into being. A major example was a non-ferrous metals mission organized jointly by the Canadian embassy to the Communities and the European Commission, whose members took part in extensive rounds of meetings in several countries after talks in Brussels. Similarly, a group of Canadian industrialists visited Brussels in the spring of 1977 to become acquainted with the workings and machinery of the EC and the provisions of the Framework Agreement.

The underlying theme of the present stage of implementation, then, has been information. Article III(3) calls for the encouragement of 'the regular exchange of industrial, agricultural and other information relevant to commercial and economic co-operation as well as the development of contacts and promotion activities between firms and organizations in these areas in the Communities and Canada.' Businessmen cannot be forced to do things against their will; but information might play a part in shaping some decisions. The compilation of mutually agreed packages of data on laws, standards, practices and so on is thus seen as a key base for future development. The obstacles are considerable. For Canadian businessmen, the nearness and familiarity of the United States market is an overwhelming fact of life. Even among those not inveterately conservative, those who do not see in Ottawa's European overtures a threat by implication to the vigour of the Canadian-American relationship, or who do not object to the Federal Government getting its fingers into yet more areas, there remain doubts whether the effort of breaking into new markets, with different trading practices, habits and languages, would be repaid sufficiently. In a time of economic restraint, recovery at home takes on a higher priority.

The power of information is also limited in relation to European businessmen. 'We're trying to increase trade with Canada,' the French Minister responsible has admitted, 'but it just won't take off.'¹⁰ Canadian-German trade has shown a steady increase, but remains small by comparison with estimates of its potential (see Table 1).

The capacity of Canadian officials to affect such trends, for example by providing information on government contracts and Canadian subcontracting methods, is clearly restricted. In relation to investment, some concerns are more deeply rooted. One arises from Ottawa's Foreign Investment Review Act (FIRA) machinery. While originating more in the context of new United States investment in Canada considered

⁹ *Globe and Mail*, 26 May 1977

¹⁰ André Rossi, cited in a Special Report in the *Financial Post*, 13 August 1977

Table 1. *West German trade with Canada, 1974–February 1977*

	(figures in DM million)			
	1974	1975	1976	1977 (Jan.–Feb.)
Exports	1,894	1,915	2,018	289
Imports	1,998	1,754	2,322	319
Balance	–104	+161	–304	–30

Source. Deutsche Bundesbank, *Monthly Report*, May 1977, p. 71

against the national interest, and while not more restrictive than measures in force in some European countries, the vetting system has startled some who had previously viewed Canada as a more open market. Its goals in some instances conflict with those of the contractual link. The Framework Agreement, for example, draws attention to regional disparities in Canada and Europe; the review process in mid-1977 blocked a major new British investment in Nova Scotia, a region of high unemployment actively seeking foreign capital. In addition, factors like the Federal Government's anti-inflation controls, some Canadian taxation laws, or the actions of provincial governments, as in Saskatchewan's running of the potash industry, are irritants for some potential investors. For 1976, Canada fell to seventh of the list of German investment abroad, the evident attractions of the United States (DM 1,338 m.) far outweighing those of Canada (DM 317 m.).¹¹

For these kinds of reasons, Canadian officials initiated a major effort to strengthen economic and commercial relations with the Federal Republic of Germany from the summer of 1975. There are no links like the continuing committee which has traditionally dealt with Anglo-Canadian trade, or the Franco-Canadian Economic Commission established in 1974, and few of the ties of sentiment underpinning these two older relationships. As before, the overall course of the relationship is affected more by defence factors. A major expansion and modernization of the Canadian armed forces was announced shortly after Chancellor Schmidt's talks with Prime Minister Trudeau in July 1977. This included replacement of the old Centurion tanks with West German Leopards, to be used chiefly by the Canadian Armoured Brigade stationed at Lahr; and a proposed \$200 m. contribution towards the purchase of a Nato fleet of flying radar stations to oversee West European defences.¹² While obviously not primarily intended to serve Canadian economic or commercial long-term interests, such moves are none the less viewed as important because of the linkage between defence and other areas which continues to be made most explicitly by Bonn of the nine EC member governments.

¹¹ 'Deutsche Privatinvestitionen im Ausland und ausländische Investitionen in der Bundesrepublik', April 1977 (*mimeo*)

¹² *The Times*, 14 July 1977.

Two events, however, have overshadowed the first year of the contractual link's operation. On 15 November 1976, the Parti Québécois (PQ) came to power in a provincial election. By 26 August 1977, it had secured parliamentary passage of Bill 101, designed to make French the sole official language of Québec. Shortly before this, details had been announced of the procedures to be followed in the referendum on independence from the rest of Canada promised by the PQ during its election campaign. There have been strongly differing views about the implications for Canada's external economic relations of the ensuing uncertainty about her constitutional future. On the one hand, it has been argued that developments have kept foreign, United States as well as European, investors at a distance until such time as the independence issue is finally resolved. The language legislation, labour laws which are seen as unduly favourable to the unions, a strengthening of the pull from western Canada and suspicion that future PQ intentions are more socialist have combined to edge some businesses, capital, personnel and English-speaking families out of the province.¹³ Political uncertainty has been viewed as particularly costly for Canada's link with Europe because of the pre-1976 image of her political stability as a producer of raw materials. Yet, on the other hand, European investment was not easily come by before November 1976, which suggests that the overall effect on the contractual link's progress may be marginal. The French Government, moreover, while extending a warm welcome to a visiting Québec minister in April 1977,¹⁴ and while having a background of interest in uranium extraction in the province, has at the same time placed considerably more emphasis since late 1974 on good relations with Ottawa, and far less than did General de Gaulle in 1967 on Québec's rights.

Secondly, the link became entangled with nuclear chainmail. Canadian concern over nuclear exports had been growing steadily over 1975-6. India's development of weapons materials from Canadian supplies was a particular source of embarrassment. Both West Germany and France, who was still a non-signatory of the Non-Proliferation Treaty, were making clear their intentions to extend nuclear assistance to Third World nations. Agreement between Canadian and Community officials on the safeguards question was reached in November 1976.¹⁵ Continued unease on the part of both Ottawa and EC member governments, however, then produced a deadlock. As a result, Canada effected a total

¹³ *Financial Post*, 13 August 1977. For background, see Peter C. Dobell, 'Québec separatism: domestic and international implications', *The World Today*, April 1977.

¹⁴ *Le Monde*, 30 April 1977.

¹⁵ 'Euratom/Canada Agreement on Security Controls', European Commission, Doc. COM(76) 593, 11 November 1976. More particularly, specific revisions were suggested to the Canada-Euratom agreement of 1959 (see Annex I, pp. 1-3).

embargo on the export of all nuclear materials throughout the first half of 1977. Though far more complex issues were involved than those at stake in the Framework Agreement, repercussions on the latter level quickly became apparent. What was in question again was the principle of non-discriminatory access to resources, raised by Denmark in connexion with Canadian oil policy in 1975. Uranium had been a focal, if not always explicit, point of European interest in approaching the Agreement. Refusal to allow shipment of supplies suggested an arbitrary willingness by Ottawa to impede trade whenever its definition of Canada's own interest seemed to warrant it. But equally, Canadian insistence on tighter safeguards was reinforced by disclosures in a report to the United States Congress in May 1977 which cited significant losses of uranium both by American plants and by Euratom.¹⁶ Anglo-Canadian talks at foreign-minister level in July, and at head-of-government level between Canada and West Germany, who was particularly badly affected by the ban, preceded moves towards a short-term resolution of the question in the light of the discussions on nuclear issues held during the May economic summit in London.

The Canadian-EC link, then, represents an interesting exercise in transgovernmental collaboration between Canadian officials in Brussels and officials of the European Commission. The obstacles it faces remain daunting. Negotiation of the Agreement attracted little attention in Europe: Denmark's objections went virtually unnoticed among the informed public; of the British press, only *The Financial Times* gave anything like adequate coverage of developments. Among officials of some member governments of the EC, an impression persists that the link is a superfluous addition to bilateral ties, or else, as a political favour granted a friend, devoid of implementable content. In Canada, a feeling on the part of the business community and wider public that the whole enterprise was simply a Trudeau gimmick still occasions surprise that steps are being taken to put it into practice. For some, the Nato spin-off is its only redeeming feature.¹⁷ More importantly, the Québec situation has reinforced a mood of preoccupation with internal affairs. The Department of External Affairs and the Prime Minister's Office, defenders of the 'third option', face potential criticism from other parts of the federal bureaucracy more sensitive to the needs of Canadian-American relations. This cumulated pressure on Canadian and Com-

¹⁶ *The Times*, 4 May 1977.

¹⁷ See, for example, the comments of one Canadian MP that the Prime Minister was only interested in Nato in order to get 'his "contractual link"' with the EEC, and that 'A sad state of affairs has surely come to pass when foreign governments care more for Canada's Armed Forces than does the Trudeau Cabinet' (Allan B. McKinnon, *House of Commons Debates*, Vol. 120, No. 4, 15 October 1976, p. 125). For a broader assessment of Canadian opinion, see Isabelle Lasvergnas-Grémy, with Renée Lescop-Baudouin, *L'Europe vue du Canada* (Université de Montréal: Centre de Sondage, Centre d'Etudes et de Documentation Européennes, 1977).

munity officials to get results is inimical to the gradualist spirit of the Agreement.

Arresting the trend in Canadian-EC trade of relative decline within absolute expansion would appear, therefore, to be a task beyond the capability of the contractual link. Future enlargement of the EC, moreover, adds an unfavourable dimension to the competitiveness of some Canadian products in European markets. A modest base of achievement and potential can, however, be identified. For sectors straddling more than one EC country, the machinery is a valuable addition to bilateral ties. The slow percolation of facts on both sides is likely eventually to generate further initiatives. Together with other factors, the link has made a useful contribution to the strengthening of Canadian-European relations. Many of these are in unpublicized areas, such as parliamentary exchanges between Ottawa and Strasbourg, a growing involvement of the Canadian provinces in European affairs, Canadian contacts with Council of Europe bodies, or academic programmes.¹⁸ Ottawa may originally have underestimated the European capacity for indifference, or overestimated the Commission's capacity to represent the future Europe. But at least it now has a momentum working on its behalf there.

¹⁸ For example, Canadians were the only non-Community parliamentary group to attend the opening of the new European Parliament building. There have been several visits to European centres by provincial premiers, provincial representatives are taking part in discussions on sectors of concern to them; and in spring 1977, Nova Scotia augmented its traditional base in London with a Dusseldorf office. Canadian studies have been developing slowly in the Federal German Republic and the United Kingdom.

Corrigendum: In the September 1977 issue, p. 337, four lines from the foot of the page, for 'Palestinian Left's battle' read 'Palestinian-leftist battle'.

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Note of the month

TOWARDS SALT II

THROUGHOUT the spring and summer of 1977, with US-Soviet relations in a sour state, the date of 3 October had been ringed in black, marking a potential moment of serious regression in the movement towards arms control within the Strategic Arms Limitation Talks (Salt). This was the day when the 1972 Interim Agreement on the Limitation of Offensive Arms would finally expire without any new agreement to take its place. Yet by the time the day was reached the gloom and despondency had been dispelled. Not only did both the super-powers announce, separately, that they would continue to abide by the limits of Salt I until Salt II could be negotiated, but they also started to talk confidently of a new agreement being reached sooner rather than later. Andrei Gromyko, the Soviet Foreign Minister, reported on 28 September, after an unexpected meeting with President Carter, that 'some further progress has been made in narrowing the differences'. On 4 October, the day after Salt I expired, President Carter himself felt able to tell the United Nations General Assembly that 'we and the Soviets are within sight of a significant agreement in limiting the total numbers of weapons and in restricting certain categories of weapons of special concern to each of us'.

The commitment of the President to a variety of arms control initiatives, underlined by his UN speech, had not been matched by results: indeed, the first year of his Presidency had seen a weakening of détente and stagnation in arms control negotiations. Now the mood has changed. In addition to the new-found hopes on Salt, the start of October saw British, American and Russian delegates meeting in Geneva, in a spirit of some optimism, to discuss a Comprehensive Test Ban, and reports that US-Soviet negotiations on forestalling an arms race in the Indian Ocean had reached an 'advanced stage'. A new session of the East-West talks on Mutually Balanced Force Reductions (MBFR) in Europe opened in Vienna and there were even suggestions that a way may be found to get these talks out of their deep rut. Meanwhile, the two super-powers are learning how to co-operate together once more, with the joint statement on the Middle East being one example, and a tacit understand-

ing not to be too rude to each other at the Belgrade review conference another.

The 'atmospherics' for a new Salt agreement therefore appear to be more propitious than they have been for some time. It is worth remembering, however, that the path of the Salt negotiations has been marked by unfulfilled optimism and 'conceptual breakthroughs' that never quite made it. The problem with Salt has not been simply one of political will. As important has been the sheer intractability of many of the key issues. It is, after all, now three years since President Ford and Mr Brezhnev agreed at Vladivostok on the basics of Salt II, leaving the details of a new Treaty to be sorted out by the technicians.¹ Unfortunately the points of detail proved to be more difficult than anticipated, and with the delay new problems of a substantial nature started to come to the fore.

The effort leading up to the Vladivostok summit was to find a formula which would demonstrate that the two super-powers had, as things stood, an essential equality of strength, and which would not demand either too great a disruption of existing plans or asymmetrical concessions. This formula was eventually found by concentrating on the 'core' strategic arms of long-range bombers, inter-continental ballistic missiles (ICBMs) and submarine-launched ballistic missiles (SLBMs), while ignoring the 'peripheral' systems such as the British and French nuclear forces, the American Forward Based Systems (FBS) in Europe and the Soviet medium- and intermediate-range missiles and *Backfire* medium-range bomber. The agreed ceiling was of 2,400 for these 'core' strategic arms, with a sub-limit of 1,320 for those missiles with multiple independently targeted re-entry vehicles (MIRVs).

The main barrier to the completion of the negotiations stems from the awkward distinction between 'core' and 'peripheral' strategic arms which is essentially based on inter-continental as opposed to inter-European ranges. One side might gain an unfair advantage through building up its forces on the periphery. The distinction has always been hard to maintain in Salt. Insistence on including some peripheral system of the other side has become a standard negotiating ploy. It was in this way that the American re-introduction of the *Backfire* bomber issue in 1975 was viewed. This modern bomber has an uncertain range and would definitely be able to attack the United States if the pilots were not too concerned about returning to home base. It is, however, patently intended primarily for use against European targets and was not important enough to justify the Americans holding up Salt. A far more difficult issue has been that of cruise missiles.

These missiles have been around, in a crude form, for some time. Developments in propulsion, guidance and warhead technology have

¹ For background, see Richard Burt, 'SALT after Vladivostok', *The World Today*, February 1975.

transformed their nature, turning them into highly mobile, accurate and versatile weapons. It is their versatility that causes the greatest problem, for not only does a multiplicity of launch platforms, ranges, warheads and roles make them hard to verify, but they also completely blur the distinction between core and peripheral strategic arms. To add to the problem thus far, advanced cruise missiles are a unilateral American advantage for which the Russians have little to offer in return, but which worry them greatly—in part because they can creep under the expensive Soviet air defence network, and in part because the West Germans might get hold of them.

The key to a future Salt treaty must be some American concession on cruise missiles. Unfortunately, these weapons have now caught the Western imagination. Though they offer no dramatic strategic advantages, they do embody the most modern technology and are comparatively cheap. There has therefore been considerable resistance to any concessions proposed. Henry Kissinger, as Secretary of State, was prepared to go a long way to meet Soviet demands, but was held back by President Ford. By the time of the 1976 Presidential election some understanding with the Soviet Union had been reached in which the United States would slightly restrict the range of its air-launched cruise missiles (to 2,500 kilometres) and also the numbers deployed, by including all cruise missile-carrying bombers under the sub-limit for MIRVed missiles agreed at Vladivostok. In return the Russians would accept additional restrictions on their area of comparative advantage—large 'heavy' ICBMs—as well as on the *Backfire* bomber.

If there is to be a Salt II agreement in the coming months it will probably be based on a similar compromise. That it was not reached earlier this year is a result of the Carter Administration proposing a totally new Salt package in March. This involved far more substantial cuts than Vladivostok and severe limits on existing Soviet land-based weapons for only limited cuts in cruise missiles.

The Russians were furious that the understandings that had already been reached on Salt (and upon which their military planning is based) were to be ignored and that the new proposals would require far more concessions from them than the Americans seemed prepared to give. Since then the Americans have been trying to retrieve the situation, ignoring Soviet propaganda which has been going full blast on the iniquity of cruise missiles as well as such things as the neutron bomb. In May the Russians accepted a proposal for a treaty to cover matters already agreed, and a three-year protocol, during which time the deployment of controversial weapons would be prohibited to provide more time for negotiations. It now appears that ground- and sea-launched cruise missiles are to be temporarily restrained by this device. In June, however, President Carter authorized development of air-launched cruise missiles as an

alternative to the supersonic B-1 bomber, thus upsetting the Russians again. The US Air Force wanted the B-1 and would only accept cruise missiles if they could be procured in unlimited quantities. Recent complaints emanating from the Pentagon suggesting that limitations are to be expected indicate that the President has now accepted the need for concessions in this area to secure a Salt agreement.

A well-informed report in the *New York Times* (11 October) suggests that the Soviet Union is prepared to offer a comparable concession, limiting the number of its MIRVed ICBMs in return. Meanwhile, the Russians are not likely to be pleased that more funds are now to be earmarked for the development of America's next-generation ICBM, known as M-X (Missile Experimental)—though it may serve to remind them of the sort of competition they will face if they do not accept restraints on their own ICBM programme.

LAWRENCE FREEDMAN

A watershed for Nato

PHILIP WINDSOR

Despite its many remaining problems, the Atlantic Alliance is showing more purpose and more confidence than have been evident for many years.

THE year 1977 has been an important one for the North Atlantic Treaty Organization (Nato), but the first question to ask is what did not happen. There has been no 'Year of Europe'; there has been no new Nato Doctrine; there has been no updated version of a McNamara Strategy. These negative indications reveal a sensible and pragmatic approach to the problems of Nato on the part of President Carter's Administration. It is all the more striking in view of the fact that incoming American governments traditionally feel the need to prove the enduring validity of the American commitment to an audience of Europeans who are ever ready to be sceptical. There is a certain tendency at such times towards the grand gesture. The temptation is natural, for it follows, after all, from the grandest gesture of all: the American commitment to embark on a permanent alliance in 1949. But flamboyance has usually done more harm than good: the 'Year of Europe' witnessed the bitterest disputes of all between the European and American wings of the alliance.¹ The McNamara Strategy polarized differences of interest to the point where they became differences of principle. President Carter deserves credit for having been able to convey the great importance he attaches to a renewed partnership between the United States and Europe and to increasing the effectiveness of Western defence without any such posturing.

At the very beginning, President Carter did permit himself one mildly histrionic gesture: his public pledge to consult his Japanese and European allies more fully. It has not helped, especially since Vice-President Mondale's tour of consultations which followed immediately after this pledge culminated in last January's casual announcement in Japan that the United States had decided to withdraw its ground forces from South Korea.² Ever since, the allies have shown a tendency to ask what this new

¹ For background, see Andrew J. Pierre, 'What happened to the Year of Europe', *The World Today*, March 1974.

² See Astrid Suhrke and Charles E. Morrison, 'Carter and Korea: the difficulties of disengagement', *ibid.*, October 1977.

The author is Reader in International Relations at the London School of Economics. His books include *German Reunification* (London: Elek Books, 1969) and *Germany and the Management of Détente* (London: Chatto & Windus for IISS, 1971).

consultation really amounted to—and in this respect the gestures and consequences have conformed to the book. Some of these questions will be considered shortly. But on the whole, the American Government has shown a considerable practicality of purpose and a high degree of diplomatic flexibility. These qualities have marked a necessary change from the manner of the past and have helped to provide a new context for tackling the manifold problems which Nato encounters.

But there has also been a further change of context. For the past two or three years much attention has been given to the problems of Eurocommunism and its potential consequences for the Atlantic Alliance. By now, and not before time, people are beginning to ask whether there ever was such a thing as Eurocommunism. One might say in passing that the phenomenon does indeed exist—when seen from the East.⁸ As a reaction to the rigidity of official Communism as it has developed from the Soviet model, and as an alternative body of ideas about the realization of 'socialism', it represents a major intellectual and ideological challenge to the power of the Kremlin. But it does not exist when seen from the West. The problems, the aspirations, the coalition tactics of the Communist parties of Italy, Spain and France are very different. In this respect, as in so many others, Henry Kissinger's opposition in principle to the attitudes of the Kremlin spilled over into an almost complete identity of practice. There was no need for him to join forces with Mr Brezhnev by denouncing Berlinguer. In doing so, he, and those who shared his views, ran the risk of telling Italian voters that what they regarded as a vote for a better Italy was none the less a vote against Nato. In such a situation American hostility to Eurocommunism was liable to create the phenomenon it professed to fear. President Carter's much gentler treatment has done a great deal to erase this unfortunate impression. The practical problems will remain if Communists ever do come to national power in France or Italy, but the emotive and symbolic question of 'Nato and Eurocommunism' has largely been defused of its charge. This in turn allows one to hope that the practical problems could also be dealt with on a more empirical basis by both sides. Equally, there have been no signs of any disposition over the past few months to apportion the programmes for the economic recovery of the Western world on a basis of political discrimination. When one remembers the furore which followed the economic summit in Puerto Rico last year, the contrast with the anxiety to co-operate which was evidenced at this year's London meeting is striking.

Comprehensive overhaul

This is not to suggest that all of a sudden the Nato countries have now found a common social programme, ideological outlook or centre of

⁸ See Heinz Timmermann, 'Eurocommunism: Moscow's reaction and the implications for Eastern Europe', *The World Today*, October 1977.

decision in foreign policy. Indeed, it is still true that the Atlantic nations seem unable to frame a common approach to many of the major problems that they have to deal with—whether in East–West relations or in North–South relations. It is also true that neither the prospective expansion of the EEC nor the prospective expansion of Nato (to include Spain) has enabled either institution to deal with disputes among its members. But what *has* changed is the sense that the political framework is inadequate to cope with the problems which the alliance faces in other fields. Today, the political problems of Greece and Turkey, or of relations between France and the other Nato allies, or of the Mediterranean area as a whole, are regarded rather as piecemeal, separate problems not susceptible to immediate or global solutions but none the less susceptible to piecemeal and separate treatment. In other words, the political problems of Nato are now on a par with the economic and military problems, and all demand a gradualist approach. Where once it was asked—and with reason—whether the political machinery of Nato could hope to deal with the problems of the Mediterranean, whether indeed European Nato was not falling into two separate areas, one of relative effectiveness in the Centre and one of increasing ineffectiveness in the South,⁴ whether, after all, the EEC might not be a better instrument for harmonizing the two than Nato itself, these questions have now given way to a common view that in the end the relationship between Europe and the United States can meet the demands which are made on it.

This revived confidence in the Atlantic nature of the Atlantic Alliance owes much to the absence of any 'Year of Europe' and to a general willingness to make plodding empirical progress instead. To give one example, the Commander of Allied Forces Southern Europe was obliged, in the person of one incumbent not long ago, to devote so much time to the political management of his responsibilities that he was almost unable to supervise the forces under his control. As a result, their effectiveness diminished. There have been changes of incumbent since, but also changes of context. Today, the effectiveness of these forces has been largely restored. But this is only one example of the very considerable revival which Nato has experienced in recent months. Obviously, there had been a degree of military reorganization over the past couple of years: in particular, the United States and German forces had improved notably, while the British Army (in spite of the drain of Northern Ireland) and the French divisions (though outside the military structure) had also impressed their allies with a new efficiency. But there was no coherent programme for a greater all-round effectiveness. This has now begun to emerge.

There are two particular reasons for the American initiatives which have made such a comprehensive overhaul possible. The first lies in the

⁴ See the present writer's 'The state of Nato', *The World Today*, August 1975

state of Soviet-American relations, and in particular in their state in the spring of this year: when a Salt II agreement seemed to be very far away, and when the United States was evincing some alarm at the accretion of Soviet strength in Eastern Europe. At that time, the new American Government seems to have given the Soviet Union a year to show its good faith both over strategic arms limitation in particular and détente in general. The import was clear: that the United States would reserve to itself the option of going ahead with some of the technological developments in strategic weaponry which were at its command—unless the Soviet Government showed more readiness to compromise in the meantime—and would also encourage to the best of its ability a reinforcement of the Atlantic Alliance in Europe. This first reason clearly indicated to the Europeans as well as to the Russians that it might be necessary to contemplate a programme for the strengthening of Nato, either as a bargaining counter for future agreements with the Soviet Union, or else in order to increase the defensive capacity of the alliance if such agreements were not reached. The second reason lies in the fact that—partly on the basis of the successes achieved so far, partly because a new Administration had a new chance—the American Government was now determined to give notice to the Europeans that it expected a positive matching contribution in the near future for the efforts it was itself prepared to make. Both European-American relations and Soviet-American relations came together to demonstrate the need for a new effort by the European allies to reinforce Nato's defensive capabilities, particularly in the Central Area. The meetings of the Nato Council and of the Defence Planning Committee last May emphasized these new requirements.

The most obvious immediate result was an agreed real increase in defence budgets of the order of 3 per cent annually. But an increase in defence allocations is not necessarily very meaningful. A great deal of money has been wasted in this way in the past. What is more important is whether the governments concerned are able to agree on a programme for making the fullest use of their increased financial resources. Such a programme is now taking shape in the manner which has been summarized by the current Supreme Allied Commander Europe, General Haig, as the three Rs: Readiness, Reinforcement and Rationalization.

The criterion of readiness refers to the fears which have frequently been expressed that the Warsaw Pact forces in Eastern Europe might be developing the ability to launch a short, decisive war from the position of a standing start. In general, the more extreme exponents of such an anxiety are still regarded as somewhat alarmist. It takes a bold general to launch an offensive attack from an order of battle which is essentially based on garrison defence. Nor is the numerical superiority of the Soviet and Warsaw Pact forces in Eastern Europe necessarily matched by their qualitative achievements. In certain respects—tactical aircraft, anti-tank

weapons and precision guided munitions—Nato's weaponry is superior to the best that the Soviet Union can muster. Finally, it is still true even today that the defence enjoys an inherent advantage over the offence. But for all this it is true that the gap between the qualitative achievements of the West and East is narrowing, and it is also true that Soviet military commanders *might* in some circumstances be tempted to make use of their twin advantages of superiority and surprise to offset the assets which Nato enjoys. In order to deter such calculations, and, at worst, to defeat an attack of this nature if it ever arose, the Nato Governments have begun to address themselves to the essential reforms: those of modernizing and hardening the command and control mechanisms, of increasing the stockpiles of munitions, of rationalizing forward defence, of increasing the flexibility of the tactical airforces, of making it easier for the European infrastructure to receive and deploy reinforcements from the United States and elsewhere.

Planning for the long term

But it would be foolish for an alliance such as Nato to concentrate only on the prospect of a short warning attack without looking to the possibility of subsequent operations or of a more massive reinforced aggression prepared at greater leisure. Hence the need to be able to sustain operations—which already implies improvements in the reinforcement capability—but also the need for a long-term defence programme. Planning for this programme has already begun, and it is an unprecedented development in two senses. First, it tries to draw together the considerations and problems which have made the life of the Alliance so complicated in the past: questions of developments in modern technology, opportunities for standardization, the allocation of different functions to different countries where need be, priorities in timing. It does so on the basis of a functional identification of the tasks required in the years ahead, with different multinational 'task forces' working under 'task force directors'. Such language is bound to raise immediate suspicions—it smacks of publicity for action. But if the approach succeeds it will bypass many of the problems which have bedevilled Nato hitherto, particularly when, as in matters of financial burden-sharing, or the allocation of functions or the division of command, these were disputed in a national rather than a functional framework. Second, this approach also implies a willingness to look further ahead than ever before and to do so in a manner which treats the defence programmes as an entity.

Clearly, the third of General Haig's Rs—that of rationalization—is already here implied in the long-term programme. Questions of standardization and interoperability⁵ need to be evaluated in such a context

⁵ The system by which supports or spare parts for one weapon can be used for another.

before they can be sensibly tackled. The wasteful duplication of effort for the sake of national prestige or domestic employment which has characterized so many parts of Nato's defence preparations in the past, and has hampered the search both for efficient response and for agreed tactical doctrines, has obviously left the leaders of the Alliance acutely conscious of the need for a new departure. But there are probably limits to what rationalization can achieve. It would not necessarily mean an all-round improvement in tactical effectiveness, if only because different systems of defence are sometimes better suited to the different command structures or even national psychologies of the participating armies. It is equally true that a plethora of systems can help to confuse an attacker! But a marginal improvement in the defence, and a considerable release of funds for other purposes, could no doubt be achieved by greater rationalization. Armies and ministers will be concerned, however, with what is meant by rationalization. Interoperability is one thing, and a fairly simple one. A division of functions is very much more complicated if, for example, it means that certain countries would be expected to give up certain roles altogether. And all-out standardization would mean, especially if it were to be based largely on American supplies or the manufacture in Europe of American arms under licence, a series of battles between the United States and the major European arms manufacturers about arms sales elsewhere in the world. Rationalization is not therefore an objective which can be sought on its own: it must presuppose a much wider agreement of the kind which is now being sought in the long-term defence programme.

Nevertheless it might be said that, in spite of growing apprehension about the strength of the Warsaw Pact forces, Nato has really shown more purpose and more confidence than have been evident for many years. There is considerable support in Europe for increasing the strength of the Alliance. It is beginning to improve its readiness to deter or withstand a short sharp attack. The long-term defence programme can allow it to increase its power and effectiveness at a very modest cost. The Atlantic partnership appears to be working again. Why then have the recent politics of Nato been so acrimonious? There are two answers. One is concerned with the old problems of consultation, the other with an issue which may or may not become important.

Problems of consultation

Two episodes may illustrate the inherent difficulties of consultation between the European and the American wings of the Alliance—whatever President Carter may intend or promise. The first concerns the notorious leak^a of last summer which was taken to indicate that the United States was planning to abandon a third of West German territory in the event of an attack. Naturally the press and some European poli-

^a See *International Herald Tribune*, 3 August 1977.

ticians made much of it. Yet all the signs are that this was never even an American contingency plan, but merely one of a series of possibilities which were raised for discussion in the higher reaches of the American bureaucracy—and nothing more. Yet the American habit of governing through the Fourth Estate, the perpetual looseness of political society in Washington and the continuing suspicion of American motives in at least some European circles, all combined to lend this trivial incident a political import which disturbed the Atlantic partnership.

A second episode was that of discussion on the neutron bomb. In view of the fact that President Carter has effectively put the Soviet Union on notice to come to some serious agreements or watch the United States draw ahead in the arms race, it is tempting to think that the neutron bomb might have been introduced as an additional bargaining counter. But it is much more likely that the bureaucratic and technological developments of American defence planning simply coincided at about that time to bring the weapon to the point of a feasibility study. In other words, it has no immediate political or military significance. But it has aroused a storm. Partly, of course, because of its character, though one might add that if anyone agrees to tactical nuclear weapons at all it is hard to single out the neutron bomb for special horror, and that some of its opponents sound as if they would be happier if a high explosive were tied to its tail to make sure that it does destroy a bit of extra property after all. But the real significance of the controversy is that many European professionals have indicated their preference for such 'reduced-blast' weapons, and that this is likely to complicate the position of the United States vis-à-vis its allies on the one hand and the Soviet Union on the other.

In both these cases, it is the immensely complex workings of the American bureaucracy—and of the American Constitution—which make adequate consultation so difficult. Similarly, Americans are wont to complain that the ins and outs of European politics make it difficult for them to find a proper interlocutor even when they are anxious to consult as fully as possible. It is probable that over such issues the politics of Nato will always prove difficult, that the members of the Euro-group will often find themselves having to react to unexpected developments on the home soil of their immensely more powerful partner, and that debates of substance will again degenerate into exchanges of acrimony. But it is also at least possible that the new approaches which are being developed in Nato will enable its members gradually to absorb such debates into a more continuous and coherent form of planning.

The second issue which sometimes threatens to complicate relations inside the Alliance is that of the growing power of Germany. Traditionally, Britain was the 'second in command' of the Alliance and still holds appropriate positions of military authority. It has long been obvious that her role was greater than her capacities—and equally that the Federal

Republic is economically and geographically fitted to assume many of Britain's responsibilities. As the most powerful military nation on the Continent, and as the dominant economic power in the EEC, the Federal Republic would, one might argue, find it sensible and logical to assume a commanding position in both the Alliance and the Community. But in fact the opposite appears to be the case. The German leadership is anxious to keep as low a profile as possible and to do nothing which might antagonize its partners or alarm its opponents. And although it has a much bigger gross domestic product, its defence budget is of much the same order as that of Britain. It would be misplaced to express alarm at the emergence of a Bonn-Washington axis in the politics of Nato—though some have done so. In this sense, Atlantic relations need not degenerate into the acrimony which has sometimes seemed to threaten. But there is none the less a real difficulty. Germany is the country which is best placed to begin the financial expansion and the military reform on which the whole Alliance is agreed. It must at the same time be anxious not to get too far ahead of its partners, or to have thrust upon it the dominant position which it wishes to avoid. If it did, the fears of a German-American axis could revive, and the politics of Nato could be threatened with a new instability.

The decision, however, is not really Germany's but that of the other European allies. If they too are prepared to act in accordance with their undertakings, they can begin to transform the present state of relative cohesion into a new, vigorous and co-ordinated organization for long-term defence.

Carter's foreign policy : realism or ideology?

J. L. S. GIRLING

America's new emphasis on moral purpose can be reconciled with her pursuit of realistic objectives so long as the other super-power, the Soviet Union, also accepts constraints on its ideological policies. But the balance between progress and stability remains a precarious one

PRESIDENT Carter's confident announcement—in his first major declaration of foreign policy¹—that 'a new world' calls for 'a new American foreign policy' falls squarely within the tradition of incoming US Administrations. Richard Nixon, in his turn, had equally promised 'a new approach to foreign policy, to match a new era of international relations'.² For each incoming President seeks to present himself as an innovator, either to 'regain the initiative' lost by his predecessor or to take a dramatic stand on principle, or both, and at the same time to distance himself from the failures, defects or misfortunes of the previous Administration. Such innovations are proposed with all sincerity, for they are as natural to Americans as are confidence, vitality, trust in technology and managerial ability to solve problems.

For some Administrations, however, this innovating drive soon loses its impetus when policy-makers establish a routine, react to events (rather than control them) and realize that much of the global environment is intractable even to the skills, resources and determination of a super-power. But with other Administrations an inflexible vision—to 'roll back Communism' or to 'support any friend; oppose any foe' for liberty—has been carried through to the brink of intervention and beyond.

Which form will Carter's portentous innovation—'a new American foreign policy . . . based on constant decency in its values, and on optimism in its historical vision'—take? Will the President's insistence on

¹ 'America's Goal: A Foreign Policy Based on Moral Values', address at Notre Dame University, Indiana, 22 May 1977. See also Robert McGeehan, 'A new American foreign policy?', *The World Today*, July 1977.

² 'U.S. Foreign Policy for the 1970's: A New Strategy for Peace', report to the Congress by Richard Nixon, 18 February 1970.

Mr Girling is Fellow in International Relations at the Australian National University, Canberra, and author of *People's War: The Conditions and the Consequences in China and in South East Asia* (London: Allen & Unwin, 1969).

global 'justice, equity and human rights' have a revolutionary impact on traditionalist and authoritarian structures in one or another part of the world? Or will the vision fade, as did the 'Alliance for Progress' in Latin America, when faced with the threat of instability and the consequent need for compromise? Will the new doctrine provide a compelling rationale for greater involvement in 'strategic' areas; or will the optimistic search for a humane world order peter out into feeble, but irritating, moralizing?

As a pointer to the likely choice among these alternatives—from the thrust of liberal ideology geared to the might of a super-power, on the one hand, to the caution of conservative realism, unwilling to upset the global balance, on the other—it is worth considering both the ideological differences and the practical similarities between the present Administration and its predecessors.

Differences of emphasis

The most obvious differences are in style and attitudes. As regards style, the Carter Administration prides itself on being more consultative—of its allies abroad and of the State Department and the bureaucracy at home—in contrast to the 'lone ranger' virtuosity, the 'acrobatic stunts' and the 'secret deals' of Dr Kissinger's solo performance. As for attitudes, or perceptions, the Carter foreign policy-makers eschew the *Realpolitik* overtones of the Nixon-Kissinger-Ford era—the cynical attitude towards repressive but strategically important regimes ('Cut out the political science lecture', Kissinger is said to have annotated a disapproving report from his Ambassador in Pinochet's Chile), its ruthless employment of American power in a discredited cause (the vain attempt to impose an 'acceptable' peace in Indochina) and the conservative implications of maintaining a stable balance of power.

The Carter Administration has sought, by contrast, to project a liberal image with regard to the more disreputable characteristics of both allies and adversaries; and it has advocated specific reforms in four important areas: relations with Communist (and nationalist) opponents, the problem of Eurocommunism, the principle of black majority rule in southern Africa, and guidelines to curb arms sales. (I leave for later discussion the most important difference of all with the previous Administration—the campaign for human rights)

First, and despite the weight of opposition in Congress, President Carter has agreed to phase out American control of the Panama Canal, and he has moved to establish normal relations with Cuba and Vietnam. Second, and contrary to Kissinger's apocalyptic alarm over the prospect of Communist parties sharing power in France and Italy, the Secretary of State, Cyrus Vance, has recognized that national Communism in Western Europe poses less of a problem to America than it does (by pre-

senting an alternative, and more attractive, model of Communism) to the Soviet Union and the regimes in Eastern Europe³. Third, the Carter Administration has gone well beyond Kissinger's initial trade-off with South Africa: i.e. inducing Vorster to pressure Rhodesia into submitting to majority rule as the price of avoiding, or postponing, the same fate for apartheid. Instead, South Africa, too, is being urged to move towards full political participation by all her people. However, the Administration's public support for black nationalism not only raises black expectations; it also hardens white South African resistance to change.

The fourth difference is that Carter has set out guidelines on US arms exports in an effort to reduce the volume of sales, rather than encourage them, as Nixon and Kissinger did for four main reasons: as a bargaining weapon, to help friends, to acquire influence, and to compete with other arms merchants, British, French or Russian. While Carter's intentions are for the best—to prevent developing nations following in the footsteps of the developed, using resources for destruction rather than construction—the implementation has been less than perfect. On the one hand, the massive sales programme agreed on by the previous Administration is to stand—\$32,000 m. in arms orders over the next six years, on the other, arms sales are simply too useful an adjunct to strategic policy to be greatly reduced: witness the continuing supplies to Iran, Saudi Arabia and Israel (amounting to over half the total US arms sales, which are in turn more than twice all other non-Communist sales, and three times those of Russia, China and Eastern Europe combined)⁴.

Basic similarities

Much of the above—as well as the greater emphasis on preventing nuclear proliferation—represents important advances on the conservatism of the previous Administration. But the substantial agreement on basic issues of policy between Carter and his predecessors is even more striking. Consider again Carter's major policy statement. Four out of the five 'cardinal premises' of the 'new American foreign policy' are broadly in line with those of Nixon, Kissinger and Ford. Thus.

(1) 'Our policy should be based on close co-operation among the industrial democracies of the world'—America, Western Europe and Japan—reflects National Security Adviser Zbigniew Brzezinski's so-called 'Trilateral' concept. This, to the new Administration, restores to its rightful place an alliance downgraded by Kissinger in his preoccupation with Russia and China. If there is some truth in this charge—

³ See Heinz Timmermann 'Eurocommunism: Moscow's reaction and the implications for Eastern Europe', *The World Today*, October 1977.

⁴ CIA data for National Security Council study, declassified by the US Senate Foreign Relations Committee reported in *International Herald Tribune*, 13 July 1977.

although 'partnership' with allies was actually the first of the 'three basic principles' of the Nixon-Kissinger foreign policy⁵—the same preoccupation also applies, and not surprisingly (see below), to Carter, Brzezinski and Vance.

(ii) 'Based on a strong defence capability'—the second Nixon principle—America must 'also seek to improve relations with the Soviet Union and with China. . . We must reach accommodations that reduce the risk of war.' This, again, is a restatement of the Nixon-Kissinger third principle that 'peace requires a willingness to negotiate . . . to accommodate conflicts and overcome rivalries'.⁶ The ambiguities inherent in the policy of détente—co-operation with the adversary to prevent crises escalating to all-out war, while within this framework each super-power seeks to gain an advantage over its rival, wherever the situation offers⁷—have been subtly expounded by Kissinger. They require a no less diligent and ceaseless application of time, energy and resources, often to the detriment of other interests and concerns, as the Carter Administration now realizes.

(iii) American policy 'must reach out to the developing nations to alleviate suffering and to reduce the chasm between the world's rich and poor'—the goal of Kissinger's policy for the last two or three years. In practice, however, as both Administrations are aware, any attempt to restructure the world economy in favour of justice and equity for all countries runs up against the dominant role of the wealthy and powerful industrialized nations. This, after all, is what 'trilateralism' means by the 'management' of interdependence: 'The developing countries need the aid, technology, know-how and markets of the Trilateral world. The Trilateral countries increasingly need the developing countries as sources of raw materials, as export markets and, most important of all, as constructive partners in the creation of a stable world order'.⁸ Even in a 'managed' market economy, it is the forces of supply and demand, rather than the desire for equity and welfare, that count.

(iv) We must 'work together to solve such formidable global problems as the threat of nuclear war, racial hatred, the arms race, environmental damage, hunger and disease'. Again, there is little difference in the attitudes of the two Administrations—or in the existence of powerful domestic and international constraints on their capacity to act.

⁵ Nixon, 'A New Strategy for Peace', *op cit*

⁶ *ibid*

⁷ CIA Director, Admiral Turner, characterizes Soviet 'adroitness' in 'pushing their opportunities wherever they develop', but not to the point of involving a major commitment of resources or prestige if they fail. This could equally apply to American policy—e.g. in the Middle East or the Horn of Africa—after Vietnam (Interview with Turner, *US News & World Report*, 16 May 1977.)

⁸ Documents produced by the Trilateral Commission quoted by Robert Manning, 'A World Safe for Business', *Far Eastern Economic Review*, 25 March 1977

Human rights

(v) Finally the great exception: human rights. These, in Secretary Vance's definition, consist of 'the right to live under a rule of law that protects against cruel, arbitrary and degrading treatment, to participate in government and its decisions, to voice opinions freely, to seek peaceful change'.⁹ More specifically, they include individual freedom from torture, arbitrary arrest or imprisonment, and denial of fair public trial; and the social right to the 'fulfilment of such vital needs as food, shelter, health care and education'—a right that can be violated 'when a government diverts vast proportions of its country's limited resources to corrupt officials or to the creation of luxuries for an elite while millions endure hunger and privation'.¹⁰

This dual emphasis on individual freedom and social needs—and on setting standards by which governments can be judged—recalling the inspirational themes of the Alliance for Progress in the early 1960s, is indeed a marked departure from the policies of intervening Administrations. But how can these good intentions be realized? To put it another way, what sanctions can be applied to backsliders—in one form or another, the great majority of developing and a sizeable proportion of developed countries? On the answers to these questions depends the future of the human rights campaign.

At present the results are mixed, indicating a compromise between the claims of ideology and the demands of realism. Human rights, for Washington, are not mere rhetoric; but they are not of overriding importance either. The Carter Administration has made it plain that: (i) it is not prepared to put pressure on governments to reform if to do so might jeopardize the security of nations considered strategically important to the United States—e.g. South Korea, the Philippines and Iran; (ii) even where there is little apparent external threat, as in most of Latin America, or where US security is not directly at stake, the Administration has modified its initial abrasive public stance in favour of private diplomacy. The United States, according to a key official, is promoting respect for human rights by working through, not against, military regimes. (This, in effect, was the fate of the Alliance for Progress.) The official spoke of 'very positive' effects in Chile, where the notorious security organ DINA has been abolished, in Argentina (emerging from a 'period of abnormality'), and in Ecuador, Peru, Bolivia and Uruguay where elections are promised in 1980 or 1981.¹¹

⁹ Cyrus Vance, 'A New Sense of Community in Asia and the Pacific', address before the Asia Society, New York, 29 June 1977.

¹⁰ Warren Christopher, 'Human Rights: A Key Principle of U.S. Foreign Policy', speech before the American Bar Association, Chicago, 9 August 1977.

¹¹ Assistant Secretary of State for Inter-American Affairs, Terence Todman, reported by Juan de Onís, *International Herald Tribune*, 18 August 1977. However, an apparent relaxation now is no guarantee for the future: see Greg Chamber-

Whatever the significance of this emerging pattern of selectivity, with all its flaws and possibilities, still more important on the global scene are two other closely connected issues: the American domestic motivation for the human rights campaign; and the impact of that campaign on super-power relations. The real significance of human rights for the Carter Administration is not so much the promotion of American values abroad—an uneven process, as we have seen—as their reassertion at home. This is an inspirational return to the well-spring of American morality: the enduring belief in liberty, equality, justice and fair opportunity. The purpose is unmistakable: to revive America's strength at home and abroad, by restoring confidence in her institutions, her causes, and her values—and thus to overcome the debilitating gloom, despair and cynicism of the Vietnam-Watergate years. We are 'confident that democratic methods are the most effective', declares Jimmy Carter, 'and so we are not tempted to apply improper tactics, at home—or abroad', 'confident of our own strength . . . of the good sense of our own people . . . [because] we have found our way back to our own principles and values. . .'.¹²

The President's stirring appeal—and the issue of human rights, redolent of the civil rights campaign of the 1950s, is one that captures the emotions—is clearly designed to rally public support behind the Administration. It is thus intended to prevent the recurrence of public and Congressional opposition to Presidential policies (as happened over involvement in Indochina, support for the Greek colonels, attitudes to Angola) that so frustrated the Executive branch over the previous decade. For, as Carter points out, a foreign policy 'based on our fundamental values' is one that 'the American people both support and understand'.

This fervent reassertion of values not only puts the United States once more on the moral offensive (after the humiliating defensive of Watergate and Vietnam) but it exposes a major weakness of its chief rival—the bureaucratic distrust of free speech (and repression of dissent) in the Soviet Union resulting, at least in public affairs, in a stifling intellectual conformity. This reversal of fortunes for America—or more accurately, this shift in perspective—accords with the change from Kissinger's 'historic pessimism', with its gloomy view of the West (infirm and vacillating compared with totalitarian resolve), to Carter-Brzezinski's 'technetronic optimism'. This optimism is also manifested, if confusingly to foreign ears, by the exuberant variety of opinions sounded off by members of the new Administration 'thinking out aloud' in apparent (and perhaps salutary) disregard for the more circumspect methods of traditional diplomacy.

Iain, 'Slight Clean-up on Human Rights', and Jose Zalaquett, 'Skeptical View of Chile's "Progress"', both in *Guardian Weekly*, 4 September 1977.

¹² 'America's Goal', *op. cit.*

Implications for détente

Ironically, however, America's 'revolutionary' cause of human freedom,¹³ the great rallying cry also of nineteenth-century Europeans (liberals, nationalists, democrats) freeing themselves from despotism, although projected on a world-wide scale, gains most support among the complex, socially differentiated, pluralistic, economically advanced societies of the modern world—America, Japan and Europe (Eastern as well as Western). On the contrary, the other great revolutionary cause of freedom from exploitation, although promoted by Communist movements on a world-wide scale, finds its most fertile soil in the developing countries of the world—among the masses if not the élite.

In effect, each super-power promotes its own cause—precisely that which is most disruptive to its rival (or to the 'sphere of influence' of that rival). This is a situation of great peril, in so far as (a) revolutionary movements in the Third World are deemed to threaten American power and influence (military, political or economic) and (b) the revolutionary movement for human rights threatens autocratic power-structures in the Soviet Union and Eastern Europe. Such was, of course, the classic situation of the Cold War era—resulting in acts of intervention by each super-power to maintain 'order' in its own sphere—and there is little reason to believe that conditions have drastically changed since. For the inescapable fact is that incompatible great power aims (in the pursuit of 'national interests') are as much a component of international rivalry as are ideological differences; indeed, Washington's alarm over the extent (and confusion over the purpose) of the Soviet arms build-up—and the reverse fear applies from the Soviet perspective—indicates how important national differences remain.

Now any increase in ideological tension, resulting from the more intensive promotion of a revolutionary cause by one or the other super-power, can only exacerbate their mutual antagonism, putting at risk the fragile structure of détente. This is the burden of President Giscard d'Estaing's public criticism of President Carter for introducing a 'fresh ideological dimension' into US foreign policy, which 'has compromised the process of détente'. Carter's policy on human rights has broken the 'code of conduct' on détente, which calls for non-interference in each other's internal affairs.¹⁴

This is a serious charge. But before accepting it, it is worth pointing out two things. First, President Nixon's own report of the May 1972 'Basic Principles' of US-Soviet relations—'a code of conduct' contributing to world peace—acknowledges 'differences in ideology' and in social systems, but states that they are 'not obstacles' to normal relations based

¹³ 'Human Rights: A Key Principle', *op cit*.

¹⁴ Giscard d'Estaing, interviewed by Arnaud de Borchgrave, *Newsweek*, 25 July 1977.

on sovereignty, equality, non-interference and mutual advantage.¹⁵ In the second place, Giscard's position is out of line with the Soviet view of *détente*, which holds that 'peaceful coexistence' does not mean the cessation of ideological struggle between the two camps—nor, indeed, of wars of national liberation (i.e. the Soviet revolutionary cause). If this is so, then what applies to the one side—as agreed in the code of conduct—must surely apply to the other.

To conclude: the pursuit either of ideology or realism (a stable balance of power) entails costs and advantages. The main advantage of the ideological cause, as espoused by either super-power, is to give hope to the oppressed, at the cost of increasing tension, instability and the risk of conflict. The main advantage of realism, on the other hand, which is where 'human rights' (and perhaps 'class struggle') after serving their domestic purposes, may now be headed, lies in the practice of 'quiet diplomacy',¹⁶ deliberately not invoking national prestige, for the sake of an orderly world. But this is at the cost—which is the perennial problem of justice or order—of quietism, lip-service to principles, and the condonation of what, by either's standard, is wrong.

¹⁵ 'U.S. Foreign Policy for the 1970's: Shaping a Durable Peace', report to the Congress by Richard Nixon, 3 May 1973. The 'main provisions' of the code are: avoid military confrontations, exercise restraint in mutual relations and negotiate differences, and recognize that efforts to obtain unilateral advantage at the expense of the other are inconsistent with these objectives.

¹⁶ This has worked fairly effectively in the case of divided families and ethnic repatriation from Russia and Eastern Europe to West Germany—but this is only a small part of the total problem.

The Unctad Common Fund — challenge and response

GEOFFREY GOODWIN

THE negotiating conference on the Common Fund (CF), which is a central feature of the Unctad Integrated Programme for Commodities (IPC) agreed at the fourth United Nations Conference on Trade and Development at Nairobi in May 1976,¹ held a preliminary meeting in Geneva from 6 March to 3 April 1977. It is to reconvene on 7 November, again in Geneva. What are the prospects that this meeting will help to resolve the remaining differences between the OECD industrial countries and the Group of 77 developing countries?

The Group of 77 (now consisting of 118 developing countries) see the Common Fund as the main instrument for attaining the objectives of the IPC. The IPC reflects the fact that 60 per cent of developing countries' overall earnings are derived from commodity exports and the widespread belief in the LDCs that the weaknesses arising from this dependency are accentuated not only by the price volatility in many commodity markets but also by a long-run tendency for the terms of trade to move against primary commodity producers.

The IPC focuses on ten 'core' commodities—cocoa, coffee, cotton, copper, jute, rubber, sisal, sugar, tea and tin—which, it is claimed, are storable commodities suitable for international stocking arrangements. It covers such matters as compensatory financing, the diversification of production to reduce the dependence upon commodity exports, increased processing of primary products within producing countries, research and development on the problems of natural products competing with synthetics, and measures generally to improve the infrastructure and industrial capacity of developing countries.

However, the establishment of the Common Fund is seen as the main 'integrating' element in the programme. The Fund would be the central source of finance for commodity stocks which would help to iron out fluctuations in commodity prices by buying when prices are weak and selling when they are strong. The stocks could be held either internationally or be internationally co-ordinated national stocks, within the

¹ UNCTAD IV, Resolution 93 (IV)

Mr Goodwin is Montague Burton Professor of International Relations in the University of London. This article draws on material from a research project of the London School of Economics Centre for International Studies on 'The International Politics of Energy and Raw Material Problems' conducted by James Mayall and the author.

framework of individual international commodity agreements. The Fund could also finance 'other measures', including assistance for perishable commodities experiencing a price decline, diversification, market promotion, research and development. Individual commodity agreements would be negotiated separately, but where buffer stocks were provided for these would be financed from the Fund. The Group of 77 have proposed that initially the Fund should have a subscribed capital equivalent to \$US1 billion with the authority to borrow up to \$2 billion. Provision would be made for additional resources of up to \$US3 billion as and when required.

Unity in diversity ?

The Group of 77's proposals reflect their disillusion with past efforts to secure more stable conditions in world commodity trade and the deterioration in the terms of trade of most commodity exporters (after the boom of 1973-4) following the recession in the industrial world. Thus, existing compensatory financing measures to offset falls in LDC export earnings, namely the IMF revised scheme of December 1975 and the European Community's Stabex scheme, are criticized as too limited, on the grounds that IMF resources are very small in relation to the decline in real export earnings or to the balance of payment problems of the main commodity exporters, and that the Stabex scheme excludes most minerals and extends only to the ACP signatories of the Lomé Convention.

The conventional commodity-by-commodity approach is also criticized as a 'divide and rule' formula devised by the industrialized West. The Unctad secretariat have pointed out that over the whole post-Second World War period there have been only five fully-fledged international commodity agreements, covering wheat, sugar, tin, coffee and cocoa. Even the International Tin Agreement, which is usually accounted not only the longest lived but also the most successful of all, is said to work best when least needed. But the nub of this line of criticism is that case-by-case commodity agreements 'do not allow the developing countries to exercise pressure in common to ensure that the commodity question is dealt with as a major aspect of the overall development problem'² Hence the call is for any international commodity agreements to be negotiated simultaneously.

The events of 1973-4 are seen by the Group of 77 as having endowed them with considerably greater bargaining strength than in the past, but to exercise this new strength effectively they must apply it collectively. Consequently, the leit-motiv of the Group of 77's strategy has been

² UNCTAD IV, 'New directions and new structures for trade and development', *Report by the Secretary-General of UNCTAD to the Conference*, TD/183, May 1976.

olidarity'.³ Inevitably, substantial conflicts of interest within the Group exist. Many of the larger developing countries (e.g. Brazil, India, Indonesia and Pakistan) are not heavily dependent upon commodity exports; the ten oil-exporting developing countries are in a class of their own, as indeed are Hong Kong, Singapore, South Korea and Taiwan which largely export manufactures. Probably less than a dozen developing countries are particularly vulnerable to the ups and downs of international commodity trade.⁴ Furthermore, most Latin American and South-East Asian countries tend to concentrate on measures to stabilize prices of the stockable commodities of direct concern to them and so to take a restrictive view of the Fund's sphere of operations. Many African countries, particularly hard hit by the oil crisis and the inflated prices of industrial imports, take a more extensive view and see the Fund as supporting a wide range of policies (e.g. diversification, marketing, research and development etc.) and the international commodity agreements it will finance as a means of transferring *additional* resources from rich to poor. The very real differences of interests and priorities on specific issues are concealed, however, by the extent to which the stance of the Group of 77 on the Common Fund generally is the outcome of an internal negotiating procedure which puts a premium on the *aggregation* of individual interests and consequently on the adoption of a *maximalist* position for the Group as a whole.

This 'solidarity' does nevertheless reflect a broader strategy to which virtually all members of the Group of 77 are committed, even if in varying degrees, of securing a greater voice in the management and structuring of the international economy. To the resentment at the managerial role of the leading industrialized countries are now added the anxieties about the power of many of the transnational corporations whose share of the total exports (excluding oil) of the developing countries is said to be of the order of 40 per cent. What the present crisis has done, it is argued, is to give urgency to long-overdue structural changes. These structural changes would not be once and for all changes; they require a 'continuous process of adaptation and change . . . which requires in turn continuous consultations and negotiations amongst states'; but these imply 'the need for institutional mechanisms that provide the opportunities for such negotiations'.⁵ Might not the Common Fund, together with a reformed international monetary system, provide both the requisite international mechanisms and the 'operational' arm the lack of which has hitherto so handicapped Unctad effectiveness?

³ For background, see Gamani Corea, 'UNCTAD and the New International Economic Order', *International Affairs*, April 1977. Also J. E. S. Fawcett, 'UNCTAD IV: another Bill of Rights?', *The World Today*, April 1976.

⁴ See House of Lords Select Committee on Commodity Prices, Vol. 1, 18 May 1977, p. xxx.

⁵ TD/183, p. 14.

Differences in OECD

How then have the industrialized countries responded to the developing countries' pressures? Certainly, the response has not been uniform and at first it was markedly negative, one reason being something of a leadership vacuum. In the late 1960s and early 1970s the United States had other more pressing preoccupations; the EEC members found such difficulty in evolving even a minimal consensus on Unctad matters as to be indeed a 'fettered giant'; and Japan was disinclined to take multilateral initiatives except within the context of South-East Asia. Only within the Commonwealth did Unctad issues figure high on the agenda. Nor has the situation greatly changed since then. Consequently, the industrialized countries, having in a sense lost the initiative to the developing countries, have had to evolve a common response to the latter's proposals at a time when there has been no obvious focal point of leadership and when, against the background of a persistent recession, they have been overwhelmingly preoccupied with their own domestic problems.

Moreover, not only does the degree of dependence of OECD countries on raw material imports vary considerably, but once the political threat of Opec-type pressure began to recede the conviction grew that, so long as the demand for LDC commodity exports persisted in the West, the mechanism of the market-place would ensure that they were sold there. And in the longer term there was the prospect that deep seabed mining would both reduce the risk of serious shortages and weaken the Group of 77's bargaining position (a possibility which is reflected in the latter's pressure for an *international* seabed regime at successive meetings of the United Nations Conference on the Law of the Sea).⁶

In addition, OECD countries remain divided by deep-seated differences of a doctrinal nature. The French have since Unctad I in 1964 consistently favoured 'the management of markets',⁷ at least in their public utterances about commodity trade; and despite a certain bias against universalism in French thinking it is the French, the Dutch and the Irish within the European Community, together with the Scandinavians and Canada, who have been the most responsive to Group of 77 pressures. By contrast, West Germany and Japan dislike most of the premises of the demand for a New International Economic Order and particularly the assumption that international machinery of an interventionist character is needed to 'manage' international commodity trade.

Initially the United States shared this position. Under the Carter Administration it has shown rather greater flexibility, even though the main emphasis continues to be on the energy problem and on ensuring long-term sources of supply rather than the kind of objectives set out in

⁶ See J. E. S. Fawcett, 'So UNCLOS failed—or did it?', *The World Today*, January 1977.

⁷ See Richard Wigg 'France and the raw materials question', *ibid*, December 1975.

the Integrated Programme. Despite a certain equivocacy deriving mainly from persistent economic constraints, Britain's position in the Commonwealth has made her particularly sensitive to the views of the developing members and her dependence upon commodity imports has given her a particular interest in commodity agreements. But such agreements are not regarded as suitable mechanisms for resource transfer and there is some concern lest the operation of commodity markets (which are said to earn something like £200 m. p.a. for the United Kingdom) be weakened by the proposed Common Fund

The main reason, however, for the OECD countries agreeing, in principle, to the setting up of a Common Fund and developing a common, and defensible, position on commodities concerns wider political issues of North-South relations. In many political quarters the demands of the Group of 77, although often couched in extravagant terms, are thought to have a good deal of validity behind them, and several EEC members, having already seized on the initiative in the Lomé Convention, see the commodity field as one of those in which the Community can again assert its collective identity.⁸ But the main argument for a political accommodation with the Group of 77 is essentially a negative one, namely the need to avoid a confrontation with primary producers whose goodwill is thought to be important on other grounds. The case of Zambia is not untypical. Zambia's interest in the successful outcome of the current Unctad negotiations is undeniable, given her dependence upon her copper exports; her support for a non-violent solution to the Rhodesian issue is equally crucial for Britain and the United States. There is, in a sense, an economic *quid* for a political *quo*. There is also the argument that Africa south of the Sahara supplies the West with many important minerals and that the spread of Soviet influence there could pose both a political and an economic threat to the West.⁹ Admittedly this is rather hypothetical, but it does support the view that, despite the strength of the technical case against much of the content of the IPC, it is not merely the importance for the OECD countries of retaining access to LDC sources of supply which makes it highly desirable to keep the North-South dialogue going

Damage limitation ?

Given these political calculations, the industrialized countries are chiefly concerned that whatever emerges from the current negotiations should be economically viable and attuned to the broader economic strategies of the OECD countries, should not divert resources from more worthwhile activities (e.g. basic aid needs of the least developed), and should be consistent with a properly operating international trading

⁸ See Stephen Taylor, 'EEC co-ordination for the North-South conference' in this issue of *The World Today*.

⁹ See *The Economist*, 9 July 1977, 'Russia and Africa'

system. Priorities naturally tend to be different from those of the Group of 77. Most industrialized countries give first preference to compensatory financing schemes such as Stabex and the IMF facility, which give some assurance to primary commodity exporters of a fair measure of stability in their foreign exchange receipts. One attraction is that compensatory financing does not operate in the market and intervention takes place only after transactions and thus has little or no influence on market prices. It is conceded that existing schemes may need to be supplemented or made more flexible. Although the idea of a generalized Stabex, which was supported by Sweden and some EEC countries at the Conference on International Economic Co-operation (CIEC), proved unacceptable to the 19 developing countries, the compensatory financing principle will probably continue to be favoured by many industrialized countries if only as a means of moving support away from the more ambitious versions of the Common Fund current amongst the Group of 77.

A frequent criticism of the Group of 77's proposals is, in fact, that they distract attention from the need for developing countries themselves to act more effectively to protect their own domestic producers from short-term fluctuations in export prices (e.g. in cocoa, coffee, ground nuts, sugar) through, for instance, marketing boards, stabilization funds, variable *ad valorem* export duties; such measures exist but few work well and most could benefit from advice and funds from UN agencies. Another criticism is that the Group of 77 do not seem to appreciate that while world market prices have a bearing on the terms of commodity trade in general, and on government policies in particular, the actual amounts traded on world markets are in many cases merely residual. In bananas, sugar, wool, wheat, copper, bauxite and iron ore, to mention only a few, bulk-purchase agreements or long-term contracts are or have been the norm. Here the remedy for any 'unequal exchanges' lies primarily in the hands of the producers.

The case for individual commodity agreements (ICAs) is nevertheless conceded by most industrialized countries so long as their aim is the stabilization of prices around long-term market trends and not the transfer of resources from developed to developing countries. Such agreements can produce a more favourable climate for investment and development planning by ensuring more predictable market conditions. Buffer-stocks may be an important ingredient of ICAs. If so, a crucial issue is the fixing of a price range which buying for, or selling from, stock is intended to maintain. The abortive negotiations in the CIEC revealed the gulf between the developing countries and the majority of industrialized countries.¹⁰ The former, intent on securing not only an improvement in the terms of trade of commodity exports but also acceptance of the

¹⁰ For background, see Louis Turner, 'The North-South dialogue', *The World Today*, March 1976 and 'Oil and the North-South dialogue', *ibid.*, February 1977.

principle of 'indexation', demanded that all price ranges 'should be periodically reviewed and automatically revised' in the light of, amongst other things, movements in the prices of manufactured goods and services imported by LDCs, exchange rate changes and 'imported inflation from developed countries'. The latter would only agree to periodic but not automatic review on the basis of, for example, levels of production and consumption, exchange rates, world stocks and production costs with a view to 'price stabilization around the long-term market trend'. Reconciling these two positions will not be easy.

As to individual agreements, three have already been concluded, on tin, cocoa and coffee, and negotiations have just been completed for a new international sugar agreement. At various times the International Tin Agreement has operated a buffer-stock within an agreed price range, but with prices well above the 'ceiling' it has run out of tin and the key operator on the market here as often elsewhere is the United States stock-pile which, despite US membership of the latest Tin Agreement is under the control not of the buffer-stock manager but of the US General Service Administration. The cocoa agreement provides for a buffer-stock but there must be some doubt over whether it will come into operation; the coffee agreement relies more on quotas and it is not yet entirely clear in what ways the new sugar agreement will operate the proposed export quotas, or what will be the exact role for the internationally co-ordinated national stocks. There are producers' agreements on copper and rubber; internationally managed buffer-stocks for copper are improbable because of technical difficulties but for rubber some kind of producers' buffer-stock is envisaged. The problem for jute and, to a lesser extent, tea, both commodities of particular interest to the least developed countries, is how to arrest a long-term price decline through supply stabilization rather than buffer-stock arrangements.

The latest proposals for the Common Fund also provide for the financing of internationally co-ordinated national stocks particularly where these are held by developing countries. Presumably national buffer-stock managers would execute policy, but the policies would be formulated internationally between both consumers and producers within the framework of the CF. But there is still the question of the relation of the commercial stocks in industrial countries to any international arrangements. For example, in May 1977 there were about 2 million tons of copper surplus to immediate requirements held in commercial hands and financed mainly by international banks and institutions, thus preventing an even greater fall in present price levels. It would be damaging to producers as well as consumers if a Common Fund were seriously to jeopardize this type of commercial activity.

The argument about precisely what kind of CF to set up has not really been joined. There is some measure of agreement between the OECD

industrialized countries that the Fund should be based on a pattern of mutual assistance amongst individual commodity agreements; that it should respect their autonomy; that it should not intervene directly in the market; and that it should be financially viable. Whereas the Group of 77 generally place considerable stress on 'other measures' (or 'Second-Window' activities), such as diversification, market promotion, research and development, most industrialized countries, whilst acknowledging the need for such measures, doubt whether they should be the province of the CF rather than of existing bodies such as the United Nations Industrial Development Organisation or the World Bank. At the very least the financing of these measures should be kept quite distinct from any buffer-stock financing. On the financial resources of any CF, some scepticism has been expressed whether the proposed \$6 billion would suffice for more than a limited period and there is some uncertainty whether it should be seen as 'pooling' resources made available under individual ICAs, or should itself be the 'source' of funds for those agreements.

Some criticisms of the whole idea of a Common Fund go deeper. Many professional economists are dubious about the ability of any international body to manage commodity trade at all successfully, given the extraordinarily erratic character of movements in price and in the supply position generally as a result of unpredictable events ranging from weather and pests to strikes and changes in government policies. To attempt to predict the long-term equilibrium price for any commodity is a peculiarly hazardous undertaking. But buffer stocks which failed to keep contact with the trend price would eventually run out of stock or funds to buy stock. In this event their activities could turn out to have worsened, rather than lessened, price instability. In short, the kind of CF at present envisaged could well prove a disservice to the developing world for it might cause a diversion of resources from more worthwhile measures and might, by falling far short in its operations of the initial hopes placed on it, lead to a measure of disillusion which would merely accentuate present LDC resentments.

There is also the suspicion that the Group of 77's proposals too closely reflect the views of the 'professionals' in Geneva who are expert on 'institutional' gimmicks but often woefully ignorant about the substance of the issues under negotiation and who are distinctly out of touch with the more realistic and informed thinking of those in the LDCs who have to handle commodity questions on a day-to-day basis. This is too facile a view, however. Rightly or wrongly, most of the LDCs do feel strongly that the IPC provides a test-case of the willingness of the industrialized countries to respond to their needs. Were the current negotiations to collapse, the political as well as the economic repercussions could seriously damage North-South relations.

EEC co-ordination for the North-South conference

STEPHEN TAYLOR

Preparations for the conference amongst the European Community members led to the piecemeal emergence of co-ordination procedures which had not been used before.

THE Conference on International Economic Co-operation (CIEC) was the third opportunity for the European Community to act as one at an international conference: the first was when the EEC Commission received a mandate to negotiate at the Kennedy Round of the General Agreement on Tariffs and Trade (GATT),¹ and the second, during the Conference on Security and Co-operation in Europe (CSCE), when procedures were developed to present a united Community position, particularly for economic questions.

The co-ordination mechanisms worked out for the CIEC were much more complex than on these two previous occasions. At the Kennedy Round, the Commission was delegated to act in a specific area, and at the CSCE, member states worked out the joint EEC position on an ad hoc basis on the spot.² But the procedures developed for the CIEC involved co-ordination in Brussels, Paris and the national capitals, along with ways to link the EEC views to those of the other industrialized countries taking part.

The conference itself³ took place in the Kléber building in the avenue of the same name in Paris, and the co-ordination process developed by the Community has often been referred to as 'Kléberization'. This name covers the overall system by which the EEC was represented at the conference by two delegates, one from the Commission and one from the Presidency acting 'in tandem', and the way in which the Community view was formulated to allow this to happen.

¹ See Norbert Kohlhasse, 'Die Kennedy-Runde als Präzedenzfall' ('The Kennedy Round as precedent'), *Europa-Archiv* 13/1967.

² See Otto Graf Schwerin, 'Die Solidarität der EG-Staaten in der KSZE' ('The solidarity of the EC-states at the CSCE'), *ibid.*, 15/1975.

³ See p. 430, footnote 10.

The author is a Research Assistant at the Royal Institute of International Affairs, London. This article, which is based on his discussions with officials of all the member countries of the European Community, appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik, GmbH, Bonn.

No treaty or any other kind of legal changes were necessary either at Community or at member-state level, though the conference considered matters which were not within the competence of the EEC. Perhaps the best way to see 'Kléberization' in context is to take as a starting point the political decision that the member states of the EEC, acting as a unit, would be restricted to one seat. Once this decision had been made, the responsibility for bringing it about was in the hands of the officials involved. Procedures were worked out pragmatically, using the various instruments already available—Commission, Council Secretariat, Committee of Permanent Representatives (Coreper) etc. For a limited period and for a specific event, the Community members were constrained to act as one and were found to have both the instruments and the organization to do so. But there was little awareness that a 'system' was being developed for general use, or that by acting as a unit at the CIEC the Community was following up its experiences at the Kennedy Round or the CSCE. It was just a case of producing the best solution for a particular situation.

Some observers have suggested that the development of 'Kléberization' may turn out to have been the major result of the whole conference, though with the ending of the CIEC the close ties developed between the officials involved have already begun to weaken.

Co-ordination of the 'single seat'

I. *In Brussels* As the CIEC commissions met in Paris for only two weeks in each month, those in Brussels responsible for EEC co-ordination were able to divide the months throughout 1976 into two roughly equal parts—'conference time' and 'preparation time', with some officials involved both in Brussels and in Paris.

The EEC position originated within the EEC Commission. Initiatives were first conceived in the so-called 'Task-Force', working under Manfred Caspari in Directorate-General (DG) I and attended by DG heads concerned with the CIEC. At these meetings it was decided which DG would produce discussion papers on specific subjects. Sometimes, when it was known that two DGs had different views, a joint paper was requested. If they were able to reach a compromise, this became the Commission view; if not, the Task Force debated the matter and made a decision. There was a great deal of flexibility: sometimes the papers would be written by the DGs themselves, at other times by more junior experts. As an example of the way the process worked, a DG VIII paper on, say, a development question would be thought out initially in Division A1 of the directorate, where a team of eight experts spent a large portion of their time on CIEC preparation. The reports and recommendations of this team were based largely on the experience of previous papers adopted—the '*acquis communautaire*'—and by taking into account the

known positions of the various EEC members. The report would then be sent for consideration by the Task Force.

It is important to note that the Task Force was by no means a rubber stamp, but a group where matters were debated in the most rigorous manner. After it had approved a report, this was sent as a 'Commission paper' to one of four Working Groups (one for each of the CIEC commissions) operating under Coreper 'B', which had been specially set up to discuss proposals for the EEC position at the CIEC.

The four Working Groups, which were each a sort of sub-committee of Coreper, met for two to three days in preparation for each meeting of the CIEC in Paris. Each session was attended by 20 to 30 officials, amongst whom were three or four from the EEC Commission. The others were the national representatives—two or three officials from each EEC member state—who came either from the member state's Permanent Representation in Brussels or from one of their home ministries. On the whole, the Permanent Representation provided 'generalists', whilst 'specialists' tended to come from the national capitals.

At the Working Groups, the EEC Commission papers were thoroughly discussed and revised as necessary. The compromise position reached by each Working Group was then endorsed at the weekly meeting of Coreper 'B' attended by the Ambassadors of the Nine. When there was fundamental disagreement, the North-South conference simply had to wait. It was impossible to be on time at all stages and on all points, but in practice there was not too much delay.

It is important to emphasize that, although the introductory papers were prepared and presented by the EEC Commission, once the discussion in the Working Groups began, the Council Secretariat took over. At the conclusion of a Working Group, it set out the Community position, which was put forward at the Paris talks by the two EEC representatives. No clear decision was taken about how their functions were shared, and this was decided between them on an ad hoc basis.

II. In the national capitals. In each member state, it was clearly necessary to work out the national positions in time for the regular monthly meetings of the Working Groups in Brussels and overall there was much similarity in the way they did this. For normal Community matters, co-ordination procedures are organized through different ministries in the different member states,⁴ whilst international conferences involving financial and economic matters have usually been handled by the Finance or Economics Ministries. But this was a new type of conference. It was an international economic conference which at the same time required co-ordination with the EEC, and all members saw the necessity of super-

⁴ See Helen Wallace, *National Governments and the European Communities* (London: Chatham House/PEP, 1973).

vising the co-ordinating procedures for the CIEC through their more politically orientated Foreign Ministries. In each member state small interministerial groups were set up to develop the member's position on the various issues to be discussed first at the Working Groups in Brussels and later in Paris. It was from amongst these officials that delegates were chosen to go both to the Working Groups and to the conference itself.

There seems to have been even more similarity if the national co-ordination is considered from an organizational point of view:

- (a) A group of experts was formed to reach a national position for each CIEC commission
- (b) A group of higher officials was formed to approve or disapprove what had been suggested and to co-ordinate the overall national view.
- (c) Political decisions could be introduced into the process where necessary. In general, it was found that bureaucratic influence predominated on minor points, whereas more important points needed political decisions.
- (d) There was an organization set up whereby the national position was co-ordinated at the Working Groups in Brussels and the conference proper in Paris.

III. *In Paris.* During the CIEC itself, the delegation leader of each EEC member had at his disposal two or three experts to cover each of the four commissions. Of course, these officials did not actually participate in the commissions,⁵ as that was the responsibility of the EEC acting on behalf of all members of the Community. But the experts mentioned were in Paris so that the different national positions could be represented at any time at the various EEC co-ordination groups which will be mentioned shortly.

These officials had a punishing schedule and were involved in a plethora of meetings. The standard daily procedure was:

- (a) 8.00 a.m. A meeting of the national delegates to co-ordinate the national positions for the four commissions based on the previous day's discussions
- (b) 9.00 a.m. The two EEC spokesmen joined the national heads of delegation to co-ordinate the overall EEC position for the day.
- (c) 10.00 a.m. The two EEC spokesmen joined the leaders of the other seven national delegates making up the group of eight advanced industrialized countries (AICs) to co-ordinate at this higher level.

⁵ Unless, of course, the member state from which they came was at the time in the Presidency, when they acted for the Community as a whole

- (d) 11.00 a.m. The plenary session began with both the eight AICs and the 19 developing countries (LDCs) present.

There were frequently meetings on an ad hoc basis of (a), (b) and (c) after the plenary meeting was finished. There were also 'vertical meetings' for the EEC and for the AICs to co-ordinate policy for each commission; and 'horizontal meetings' at both these levels to co-ordinate AIC policies as a whole. On top of all this were informal meetings and general 'chats' around the Kléber building, not just with fellow EEC and AIC delegates but also with those from the LDCs.

EEC co-ordination caused considerable frustration to begin with. The EEC negotiating positions, decided at the Working Groups in Brussels, allowed very little latitude to the delegates actually attending the conference in Paris. If, say, Canada or Japan from the Eight, or some member of the '19', put forward a new idea, EEC spokesmen had to refer back to Brussels, Coreper had to meet, and there was a good deal of delay and irritation, particularly for the other seven AICs. The result of this was that everyone in Paris was being called on to work six or even seven days a week.

But as the conference developed, Coreper realized that the EEC representatives in Paris could not refer back to Brussels every time, and the outcome was that a solution emerged on an ad hoc basis by allowing the heads of delegation of the Nine to act in Paris as an extension of Coreper. This was acceptable, provided that representatives from all Nine were present when any decision was taken. It must be emphasized that this was a new development and much against national instincts. None the less, it became the accepted procedure.

There were also occasions when a quick decision needed to be made within the Nine at one or other of the commissions. In this case, the session had to be stopped whilst the representatives of the Nine went into a 'huddle', either within the sessional chamber, or in an ante-room, to work out an updated EEC view. Although this held up matters for a while and caused a combination of frustration and amusement to other delegates, it became an acceptable pattern and several delegations preferred this to, say, the less formal practice at Unctad. And even EEC sceptics concede that EEC co-ordination at Kléber worked 'very well indeed' after the early teething troubles. No such process can ever be perfect, but EEC organization compared very favourably with the co-ordination in other groups at the conference.

Towards the end of 1976, another series of discussion bodies was set up to make the dialogue more fruitful. These were much smaller than the commissions and were known as Contact Groups (CGs). Contact Groups were originally an Unctad idea, and seemed particularly appropriate to deal with the difficult subject of debt, which cut across both the

Development and Finance Commissions. It was then felt that if the discussions were going to get anywhere in time for the ministerial meetings in December, other CGs would also be necessary in other areas. Because there were no subjects not of key importance to one or other of the 19 developing countries, CGs were set up to cover the whole field. The rules, drawn up by the CIEC Co-Chairmen, allowed for four AICs and five LDCs to be present at each CG. There were thus around 15 officials at a meeting as opposed to some 150 at the commissions. One interesting fact about the CGs was that the Community was permitted to have a third delegate present, in addition to the usual Commission and Presidency delegates, whose job was not to speak, but to act as a 'runner' and liaison between the CG and the various expert EEC Working Groups sitting elsewhere in the building, so that the EEC position could constantly be kept in line.

All in all, CGs were indispensable—without a system of this kind, matters could not have been reduced to proportions which the Ministers could handle.

Attitudes on the main issues

Although there were different views amongst the EEC member states, the gulf between the attitudes of the advanced industrialized countries and the developing countries made the Community differences appear relatively slight. None the less, there were fundamental tensions within the EEC. For instance, whereas the Germans support the free-market economy wherever possible, the French favour more *dirigiste* solutions. Although there is plenty of free enterprise in France and state control in Germany, the difference of emphasis is likely to add to long-term strain within the Community. And the Germans' support for the present world economic system, and their reluctance to favour new schemes which, they feel, have not yet been sufficiently worked out, puts them in conflict also with the Dutch, who are more sympathetic to LDC plans for a new international economic order.

Because of the need for the EEC to arrive at joint positions to avoid holding up the conference, these tensions within the Community had to be reconciled. Not surprisingly, therefore, many EEC agreements were based on the lowest common denominator. Another way to achieve unity was for member states to give each other support from one day to another without binding themselves to a permanent position. Thus some of the joint positions arrived at seem to have become possible only because the CIEC was not seen as anything other than a conference of limited duration.

Against this background, the Community had little difficulty in reaching a joint position on indexation, investment and energy. The economies of all EEC countries would be severely damaged by the inflation that

would be caused by linking the prices of raw materials to those of manufactured goods; all were anxious to have protection for their investments in the LDCs; and whilst they all needed to secure their energy supplies, there was a limit to the price they could afford to pay for this in concessions to the Third World in other areas.

A more controversial issue was that of the Common Fund. The Dutch supported the idea from the start, pointing out that this was a political symbol for the LDCs and that substitute proposals such as the export earning scheme proposed by the Germans would be seen by the LDCs as diversionary tactics. The Germans doubted whether the Fund would work, and suspected that they would themselves be one of the major contributors. Other members found themselves between these two poles, with the Belgians, the French and the Danes nearest to the Dutch position. Eventually, however, the EEC was able to reach a united front to support the idea of a Common Fund in principle, with the details having to be worked out at a later stage. This unity was confirmed at the Rome summit in March 1977, and the constant discussion between members, at the Working Groups in Brussels and in Paris, was thought to have been decisive. The EEC achievement in accepting the Common Fund was one of the main reasons why the Fund was later accepted also by the Americans and other AICs. Indeed, the fact that the EEC members had so thoroughly discussed matters in their own Working Groups, and that there were differences of view within the Community paralleling those among the AICs as a whole, provided a useful 'launching-pad' from which to work out the position of the Eight. EEC co-ordination thus made a useful contribution to the working of the conference.

Another complex issue was the Special Action programme—an additional resource transfer to be offered at the final ministerial conference. The idea came originally from the EEC Commission as a way of resolving the issue on debt, which had threatened to bring the conference to a halt during the middle of 1976. A fund was to be set up to help relieve the debt burden of the poorest LDCs, thus making an immediate contribution to the problem, and allowing time for a fuller discussion of the wider issues of Third World indebtedness. However, after further examination in the EEC Working Groups the original figure was substantially reduced. The eventual figure of \$1 billion was insufficient to deal with the debt problem, and could only be seen as a way to allow the AICs to leave the conference with honour.

Conclusions

The need for the EEC members to reach a common position constantly forced them to commit themselves. There was no keeping silent, or clock stopping, as there has often been elsewhere (for instance at the Group B meetings at Unctad). The necessity of cutting a credible figure with the

other AICs and the LDCs and of 'acting effectively in public' constrained the EEC to 'keep in line'.

There was the general feeling, not least amongst those working in the Berlaymont, that the EEC Commission had improved its status. The Commission was responsible for drawing up initiatives, and was thus operating in the traditional role given to it by the Treaty of Rome ('the Commission proposes and the Council disposes'). It also acted as a moderator amongst the Nine in Paris during the conference, where it was also able to provide a back-up of experts and secretariat facilities to the national delegates.

The fact that many of the Community officials at the Paris conference had also been involved in the preparatory work in Brussels helped to give continuity to the process of co-ordination. There seemed to be little difficulty in conducting discussions 'across nationalities', not only at the top but at all levels. Officials got to know one another so well that it was usually possible to predict in advance what the different national positions would be. There was also some acceptance of a division of labour amongst the EEC representatives. For example, a certain official from one member state would develop a reputation as, say, an expert on debt, and it would be generally accepted that he should produce a survey on some particular aspect of this topic for the next Working Group. Indeed, it is regrettable that with the ending of the conference this trend seems unlikely to continue, as officials will meet less frequently and move on to other jobs.

Whether the conference put a great burden on the EEC Presidency seems to have varied with the particular country in the Chair. The three presidencies involved were those of Luxembourg, The Netherlands and Britain. Of these, Luxembourg and The Netherlands found the extra work necessary for the conference less onerous than the British. This may have been due to the fact that the drawn-out preparations for the final ministerial conference occurred whilst Britain was in the Chair, but the British seem to have duplicated much of the work of the Council Secretariat and so added to their burdens. The general feeling in the Community is that they did an extremely efficient job, but that by concentrating on their own methods and their own manpower they once again gave the impression of being *anti-communautaire*.

The development of 'Kléberization' has raised hopes that it could provide a model to be followed at other conferences at which EEC members participate. Already something of the kind has operated at OECD meetings, and it is thought that it might be extended to Unctad, which has recently begun to have more frequent meetings, permanent committees, and a more political nature. Under Article 116 of the Treaty of Rome, 'members shall . . . proceed within the framework of international organizations of an economic character by common action.' Kléberiza-

tion would thus help to implement a principle which already exists. However, we should add that the majority of officials involved point out that it was a process which could only work because of the form in which the CIEC took place, and that it could not be expected to survive the conference. But that is perhaps too negative a point of view—much will depend on the form in which future international conferences take place.

Because the Community view was initiated mainly within the EEC Commission, it might seem that a boost was given to the federalist idea of Europe. However, as soon as the Commission's proposals arrived at the Coreper Working Groups, co-ordination in Brussels and Paris was actually carried out by the Council. 'Fundamentally, Kléber is a Council animal,' said one diplomat. In any case, member states are no more willing to give up constitutional sovereignty than they ever were. But there is confirmation of an increasing willingness to co-operate with fellow members, whilst at the same time upholding national status. This would suggest that future progress towards a common European approach is more likely to be achieved through concentration on the mechanism of European Political Co-operation (EPC) than through a more federated approach to the EEC. Community co-ordination for the CIEC was an extension of the Davignon recommendations: an increasing number of contacts between member states at all levels, with each state retaining its identity.

Each of the member governments was able to adapt to the CIEC as a new kind of international conference. Each country formed new committees for the purpose linked to co-ordinating committees in Brussels and Paris. In these arrangements, agreed before any institutional device had been specifically set up, one sensed the break-through of 'The Whitehall System' at international level.

In considering the effect of the CIEC on EEC development, one is constantly faced by a contradiction. On the one hand, the unified EEC position for the conference was achieved by the mechanisms described, and to this extent the CIEC has had an integrating effect on the Community. On the other hand, the EEC was only one of the Eight, and the experience of the conference, and of the demands of the Third World in general, stressed more and more forcibly the value of unity amongst *all* the AICs. Indeed, to be part of the larger group seems to be much more important in the late 1970s than simply to be a member of a smaller regional body. Moreover, there are similarities of view amongst the AICs which cut across the boundary between the EEC and the rest. For instance, the positions of Germany and the United States are thought to be rather conservative, whereas those of Sweden and The Netherlands are considered to be progressive. Germany and The Netherlands have, therefore, clearly more in common with AICs outside the EEC than they have with one another. All this could have a disintegrating effect on

the Community. The CIEC can thus be said to have made both a positive and a negative contribution to the development of the EEC.

To quote one observer, 'The North-South dialogue in Paris is only one step in a long negotiating process between the industrial and the developing countries.'⁶ But it could be said that the development of the EEC itself is also a long negotiating process. 'Things are not worked out; they evolve,' said one senior British diplomat. Whatever the future of the Community, the CIEC, in stimulating the introduction of a number of workable co-ordination procedures, played some small role in its further development.

⁶ 'Der Nord-Süd-Dialog in Paris ist nur ein Schritt in einer langen Verhandlungsrunde zwischen Industrie-und-Entwicklungsländern', Dr Michael Bohnet, *tfo schnelldienst*, 15 July 1977, p 20

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Note of the month

THE PANAMA CANAL TREATIES

THIRTEEN years after the United States and Panama first began talks on a new Canal treaty, the negotiating teams this summer finally produced a draft which proved acceptable to President Carter of the United States and Brigadier-General Omar Torrijos Herrera of Panama. Put simply, the proposed new treaties will give Panama complete control of the Canal and the zone around it by the year 2000, while the US retains the right to defend the neutrality of the waterway indefinitely. After the formal signing ceremony on 7 September in Washington, attention turned from the negotiations to the US Congress and the Panamanian public, whose approval was needed before the draft treaties could be ratified.

To produce a treaty acceptable to public opinion in both the United States and Panama was a difficult task. The two countries have been at loggerheads over the Canal ever since November 1903, when the original treaty was signed. For the US citizen, the Canal is a symbol of an era when American power was in the ascendancy, a triumph of both political muscle and engineering skill. The French had already tried to build a canal across the Isthmus but had given up, defeated by yellow fever and malaria. The US engineers succeeded where the French had failed. Work began on the Canal in 1904; 30,000 men were involved and it cost US\$380 m. Ten years later, in January 1914, the first ship went through the 50-mile Canal.

Panamanians objected first to the circumstances under which the treaty was signed, just fifteen days after Panama, a department of Colombia, had declared its independence. While special envoys were on their way to the US to negotiate terms, the Americans signed a Canal treaty with another representative of the young government, Phillipe Buneau Varilla, a French engineer who had been raising money in the US for the Panamanian revolutionaries. The new treaty was far more generous to the US than an earlier draft which had been rejected by the Colombian Congress. The 1903 treaty gave the US a canal zone ten miles rather than ten kilometres wide, granted rights over the zone in perpetuity rather than for 100 years, gave exclusive rights to US courts in the zone and, most controversially, granted the Americans sovereignty over the zone. The United States agreed to pay US\$10 m. for all the rights and US\$250,000 a year in 'rent', a sum which was gradually raised to today's US\$2.3 m.

Over the years Panamanians, whose country was divided into two by the establishment of the US colony, have concentrated their efforts on regaining rights of sovereignty over the zone, rather than seeking to nationalize it as the Egyptians did the Suez Canal. Successive marches and demonstrations by Panamanians had little effect until January 1964 when an incident involving students from Balboa High School led to serious violence. In September 1965, President Lyndon Johnson agreed to abrogate the 1903 treaty, to relinquish US rights of sovereignty over the zone, to place a term upon the contractual arrangements and to increase tolls.

Treaty negotiations began immediately but made limited progress until 1973 when, by a piece of adroit manoeuvring, General Torrijos Herrera, ruler of Panama since 1968, persuaded a UN Special Assembly to meet in Panama. The US was roundly denounced at the meeting by the Latin Americans, who support Panama unanimously, as well as by other members and avoided being censured only by using the veto. Since then negotiations for a new treaty have been given a much higher priority in Washington. Even so, progress has been slow; one major stumbling block was the attitude of the Department of Defense which was reluctant to concede any of the Panamanian demands.

In fact, the Pentagon almost certainly exaggerated the strategic importance of the Canal. Nowadays the US maintains fleets on both sides of the Canal, and US aircraft carriers and many large commercial vessels are in any case too big to pass through the locks. Although it was of military use during the two World Wars, the Canal's usefulness during the Korean War and the conflict in South-East Asia is less clearly established. It has been estimated that alternative forms of transport would have had no adverse effect on the Vietnam war effort and that additional costs would have been negligible. The Canal is no longer defensible without Panamanian co-operation—the locks could easily be sabotaged—and this factor was important in getting the Pentagon and the State Department to agree on a common position.

Economically, the Canal is still important to the US, though not vital; only 8 per cent of American exports pass through it. Indeed, Britain has almost as many ships going through the Canal as the United States. The Latin American countries on the Pacific seaboard are much more dependent on the waterway, with about 90 per cent of their exports and imports passing through it. Only 1 per cent of world trade uses the Canal, which has been losing money since the Vietnam War ended, the Suez Canal reopened and the world trade recession began. But it remains of vital importance to Panama: about 30 per cent of its GNP and 40 per cent of its foreign exchange earnings are directly or indirectly attributed to the Canal and its related installations.

How far do the draft treaties go in reconciling the very different

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EDITOR: LILIANA BRISBY

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demands of the US and Panama? The fixed term of the treaty is welcomed by Panama and so, too, is the recovery of Panamanian jurisdiction over the Canal Zone. This will entail the disappearance of the American police, postal services, courts and other symbols of US power. The Panama Canal Company will be replaced by a new body which will have five American and four Panamanian directors. From 1990 the President of the Board of Directors will be a Panamanian.

Financially, Panama will be much better off. Apart from a long-term economic and military aid programme worth nearly \$350 m., Panama will also receive from the US an annual payment of about \$50 m. A single year's payment represents almost as much as the total paid by the US since the Canal opened under US jurisdiction in 1914. On ratification of the treaties, two thirds of the Canal Zone territory will revert to Panama. The US will retain a military presence in the zone until the Panamanians assume full jurisdiction, but the existing 14 military bases will gradually be consolidated into three defence complexes which will be governed by a statute similar to that provided for US bases in Spain, although the US will pay no rent. The permanent neutrality of the waterway is guaranteed in the treaties.

In Panama, opposition to the new treaties came mainly from left-wing and nationalist groups, angry at the fact that US troops are to remain in the Canal Zone until the year 2000 and that they will still have the right to intervene to defend the Canal's neutrality after the treaties expire. But General Torrijos Herrera, with his control of the media where a massive propaganda campaign was conducted, managed to convince the Panamanians that they should vote for the treaties in a plebiscite held on 23 October.¹ He was helped in his campaign by the rest of Latin America, whose leaders unanimously support the new agreement.

But the approval by two thirds of the US Senate needed for ratification is not yet a certainty. At least a fifth of the Senators are solidly opposed and many more are known to be lukewarm. In most cases they accurately reflect the feelings of their constituents, who in opinion polls and in letters to the White House and to the House Committee on Merchant Marine and Fisheries have made it clear that they consider the Canal was bought and paid for by the United States and that the 1903 treaty should stand. President Carter, however, is gaining the odd important ally. Mr George Meany, President of the AFL/CIO, who is usually a hawk on national defence issues, has said that he can see no particular reason for holding on to distant territory just because the US built a canal there. The official festivities for the signing of the treaties are also likely to have generated more support. A separate document

¹ With a 97 per cent turnout and a total vote of 766,232, 506,927 voted for and 245,112 against the treaties. *Neues Deutschland*, 1 November 1977.

guaranteeing the permanent neutrality of the Canal was signed by OAS member states in Washington. A comparable gathering of Latin American leaders had not taken place for ten years and was a clear indication of the importance that Latin America attaches to the issue. The chances of ratification were further improved by the visit to Washington of General Torrijos in mid-October. The joint American-Panamanian statement, which cleared up controversial points, seemed to have swayed some sceptics, including Senator Robert C. Byrd of West Virginia, the Democratic leader in the Senate.

The treaties are unlikely to face their crucial Congressional scrutiny until some time next year. Meanwhile, White House officials hope that those doubtful about the agreement will accept it once they realize that President Carter is ready to use all the power and prestige of the executive branch to get it passed.

JO BERESFORD

Change in Pakistan

SIR CYRIL PICKARD

MR BHUTTO no doubt felt, when he announced his intention to hold elections last March, that to obtain a new mandate from the people would strengthen his hand both domestically and internationally. However arbitrary his actions might be, Mr Bhutto speaks the language of democracy; and perhaps he found a special pleasure in giving the lead to his neighbour, whose lectures to Pakistan on the virtues of democracy had always been an irritant to him. He wrote to the President on 8 January:

The consideration which overrides the possibility of the extension of the term of the National Assembly and of my Government is the desirability of seeking a fresh mandate from the voters of Pakistan for the country's administration. I find cause for pride in the fact that it is for the first time in the history of Pakistan that a duly constituted Government by its own volition invites the people to elect their representatives afresh and to express their confidence or otherwise in the performance of their administration and in the policies and programmes that will be presented to them.

That he would receive a mandate from the people was to him never in doubt.

The author served as High Commissioner in Pakistan from 1966 to 1971 and revisited the country last February and March at the time of the elections

By the end of 1976 Mr Bhutto had made very little progress in settling the issues which had confronted the Government since 1971. It was to his credit that in the early years the immediate problems of the return of the Pakistan troops from India and the process of constitution making had been dealt with. But the North-West Frontier Province and Baluchistan remained at loggerheads with the centre. Pakistan had yet to grapple with the problems of provincialism, identity and tolerance of opposition; and Mr Bhutto had still to create a unified Pakistan People's Party (PPP) with a Pakistan-wide appeal.¹ Moreover, the initial successes in developing export markets, after the severe shock to the Pakistan economy as a result of the secession of the East Wing, had not been sustained, and the greatly increased cost of oil from 1973 and a series of natural and climatic disasters had put a new strain on the country's economy.

Nevertheless, Mr Bhutto was convinced that he had no serious national rival. He viewed the divided opposition with contempt and the possibility of domestic unrest with complacency, and underestimated both the determination of the opposition parties to get rid of him at all costs and their capacity to combine for that purpose. He also failed to appreciate the effect of giving to the people of Pakistan the opportunity to express themselves after the long period during which emergency decrees had stifled the expression of political opinions and ensured a colourless uniformity in a managed press. Mrs Gandhi, when she discussed her defeat in a television interview recently, attributed her failure to appreciate the strength of the opposition to the Congress Party to misleading information from 'intelligence'.² I doubt very much whether Mr Bhutto relied on any judgement other than his own. It is, however, very difficult in a state administered under emergency decrees, in which the free expression of opinion is suppressed, for the political leaders to reach valid political judgements. Nobody was more acutely aware of this than Mr Bhutto had been in 1970: he had the lesson of Field-Marshal Ayub's mistakes in 1968 before him. But five years of the corrupting influence on judgement of absolute political power in the end had its insidious effect and made him as vulnerable to self-deluding judgements as Field-Marshal Ayub had been before him.

The March election

As soon as the announcement of the election was made, nine opposition parties proclaimed that they had formed an Alliance united to fight the Pakistan People's Party. The only substantial party to stand outside the Alliance was the Quayyum Muslim League, which itself was in decline. Mr Bhutto was not too disturbed by this development, because it seemed

¹ See David Dunbar, 'Bhutto—two years on', *The World Today*, January 1974.

² Interview with David Frost, BBC Television, 21 July 1977.

unlikely that such an alliance of disparate parts could work effectively together for common political purposes. In matters of policy the Terik-i-Istiqal of Air-Marshal Asghar Khan was far apart from the Jamaat-e-Islami of Maulana Maudoodi. It soon became clear, however, that for the limited purpose of choosing joint candidates in order to defeat the PPP the Alliance was able to maintain a united and confident front. It was also clear that the opposition speakers were attracting large crowds to their meetings, and the threat to Mr Bhutto's supremacy had to be taken seriously. Moreover, the election campaign was generating a great deal of public excitement. In the absence of her husband and son who were still in jail, Begum Wali Khan emerged for the first time as a political leader and began to address meetings which attracted surprising numbers of people, not only in the North-West Frontier Province, where her husband had a strong political base, but also in the Punjab, where he was regarded with some suspicion. She spoke simply and effectively about the old Pathan virtues and evoked an enthusiasm on the Frontier which was disturbing to the Government. In Peshawar just before the election, several people emphasized to me what a remarkable thing it was that the Pathans had been able to find a woman, and such a formidable one as Begum Wali Khan, as a leader. During this period the Overseas Service of the BBC was avidly listened to—by army officers and government servants as well as by opposition politicians and a large section of the people—as the only reliable source of news about events in Pakistan. I found that groups of people were organizing to cover every news transmission and to pass on the news within their group. As the campaign went on, the political activists in the opposition became increasingly convinced that they would win the elections and that they could be cheated of victory only by massive ballot rigging.

When Mr Bhutto's victory was announced, the opposition's political workers simply could not bring themselves to believe that the result might have been achieved by any other means. This conviction in part stemmed from their own view of Mr Bhutto's character. He had shown himself over the years to be completely intolerant of all opposition, whether from inside the People's Party or from outside it. He had harassed and imprisoned opposition politicians; he had dismissed and detained members of his own party who had disagreed with him; he had punished officials who had displeased him. This had generated among those who had suffered at his hands a degree of bitterness and hatred, which made it impossible to accept what they believed to be an incredible result as anything more than confirmatory evidence of Mr Bhutto's chicanery. The evidence on which to come to any objective conclusion as to whether Mr Bhutto did in fact win the March election is not yet available to outside observers. Of course, there is ample evidence of some corruption, confirmed by the findings of the Electoral Commission. In the case of the

Sargodha constituency, for example, it found that Mr Cheema, the PPP candidate and former Minister of Railways, had harassed and scared away voters, intimidated the presiding officer and forged ballot papers. But whether such practices were on such a large scale as to vitiate the whole election result, it is difficult for an outside observer to reach a firm judgement. In any case, it no longer seems to be important to determine what did happen; the essential point is that the opposition were so convinced that the election result was fraudulent that they were prepared to go to any lengths to upset it.

Background to army coup

Mr Bhutto and the People's Party were equally convinced that the election had been clearly won by them. In these circumstances, Mr Bhutto might have been expected to use all the means at his disposal to silence the opposition. There were, however, limits to his freedom of action. To retain his position in the face of really determined opposition agitation, he would need the support of the army. Since 1971 the army had recovered a good deal of its self-confidence and its prestige. Many senior officers in the armed forces acknowledged Mr Bhutto's contribution to this process. Whatever his personal responsibility for the events of 1971, he had brought the country to the difficult point of accepting the existence of Bangladesh, and negotiating terms with India which would permit the return of the Pakistani troops captured in the East Wing.³ Whereas many distinguished retired generals had no hesitation in making their opposition to Mr Bhutto plain both in public and privately—and in consequence a few found themselves in prison—some senior serving officers made it clear by both public and private gestures that they were by no means opposed to Mr Bhutto. However, they could not regard with equanimity the dangers to the unity of the army if it was called on increasingly to use force to contain political demonstrations. Mr Bhutto retained the loyalty of the very senior officers, who had themselves been hand-picked by him. This was not necessarily true of the more junior officers, many of whom were politically conscious and whose loyalty would be under increasing strain if repressive measures involving bloodshed continued over a prolonged period. As General Zia said in his address to the nation on 5 July:

The armed forces have always desired and tried for the political solution to political problems. That is why the armed forces stressed to the then Government that they should reach a compromise with their political rivals without any loss of time. The armed forces were subjected to criticism from certain quarters for their role in aid of the civil

³ See A. G. Noorani, 'Search for new relationships in the Indian subcontinent', *The World Today*, June 1975.

administration but we tolerated this criticism in the hope that it was a passing phase.

There were, therefore, limits to the physical force which Mr Bhutto had at his disposal. Another limitation was imposed by Mr Bhutto's success in keeping on good terms with Saudi Arabia and with his Sunni Muslim neighbours in the Persian Gulf. He had shown his credentials as an Islamic leader in chairing the Islamic Conference at Lahore in 1974.⁴ The Gulf States had become increasingly important to him over the years, both as a source of income and investment, and as an employer of Pakistani labour in the Gulf. It is clear that from April onwards the Saudi Arabian Ambassador and representatives from the Gulf played some part in the negotiations between Mr Bhutto and the opposition parties. No doubt they were acting as honest brokers; but their involvement made it increasingly difficult for Mr Bhutto to use the full sanctions at his disposal, particularly against the Islamic parties. In these circumstances the opposition parties had a stronger hand than at first sight seemed possible. Everything depended therefore on the extent to which they remained united, on their stubbornness, on the determination of their supporters and on the nerve of Mr Bhutto. As it turned out, the opposition remained united and stubborn; and their followers were prepared to precipitate confrontations such as that at Lahore on 9 April, which cost many lives. Mr Bhutto himself seemed to be unsure of his touch and vacillated between concession and inflexibility. In the end, the army decided that it could afford to wait no longer—not least because of the economic damage being done to the country. On 5 July, General Zia ul Huq intervened and took over as Chief Martial Law Administrator.

General Zia's objectives

General Zia ul Huq announced that he had no personal political ambitions. He had intervened to end the uncertainty and avert the danger of escalating civil strife created by the inability of the politicians to solve the crisis. His sole objective was to arrange the holding of a free election in October. There is no reason to doubt that this devout soldier intended to do exactly what he said. He announced the election date (18 October), but there were obvious difficulties in making the necessary arrangements for holding the election and for ensuring that law and order would be maintained during the election campaign which was due to begin in September. Nevertheless, General Zia was anxious, as General Yahya had been before him, to ensure that fair elections were held as soon as possible, in order that the military could be relieved of the political responsibility which they had assumed. General Zia was sincere in saying in his address to the nation, 'The army take-over is never a pleasant act

⁴ See Vijay Saroop, 'The Islamic summit', *ibid*, April 1974.

because the armed forces of Pakistan genuinely want that the administration of the country should remain in the hands of the representatives of the people who are its real masters.'

The General continued, therefore, for two months after the coup with preparations for the elections, trying to maintain a stance of impartiality. It is true that the introduction of the sharia code of Koranic punishments, including the amputation of a hand for repeated theft, appeared to suggest that the General had sympathy with the policies of the religious block in the Pakistan National Alliance. It would probably be truer to say that this action reflected his own strong personal religious beliefs. In this he differs from Mr Bhutto, who, during the last weeks of his premiership, as a matter of political expediency, tried to satisfy Muslim opinion by banning gambling and the consumption of alcohol.

At first, some people 'expressed misgivings that the army take-over may have been at the behest of someone. Could it be that General Zia had secretly concerted with the former Prime Minister?'⁵ Indeed, the continued detention of Wali Khan and Mengal, the former leaders of the proscribed National Awami Party in the North-West Frontier Province and Baluchistan, added to the suspicions that the army in its anxiety to move forward to early elections was giving Mr Bhutto and the PPP an unfair advantage. Meanwhile, however, many accusations were made against Mr Bhutto of arbitrary and illegal actions while he was in office, and legal cases were registered against him in the Punjab High Court. This required the consent of the Government, which was given. During September, General Zia began to refer in press interviews to evidence he had seen on the official files which led him to believe that Mr Bhutto ought to submit to the judgement of the courts.

Bhutto's arrest

Mr Bhutto was arrested on 3 September, no doubt with the assent of the Government. His release on bail a few days later caused considerable surprise and led to an apparent surge of opinion in his favour, since it appeared once more that he was outmanoeuvring his opponents. However, the Government then intervened, had him re-arrested and proposed to try him by a special military tribunal. This led to a confrontation between the Chief Justice and the Martial Law Administration. As a result, on 23 September the Chief Justice was replaced by Mr Justice S. Anwarul Haq, who had previously been passed over by Mr Bhutto, and Mr Bhutto remained in prison, while the case against him was pursued in the Lahore High Court.

As the legal proceedings continued, it became increasingly obvious that the elections could not be held on 18 October, and on 1 October General Zia announced a postponement. Meanwhile, assisted by an

⁵ General Zia's speech to the nation of 5 July, *Dawn* (Karachi), 6 July 1977.

active political campaign by his wife and daughter, and partly as a result of the impression which he contrived to give of being a victim of persecution who nevertheless would survive all attacks on him, Mr Bhutto appeared to have regained some of his public support and the Alliance seemed increasingly uncertain of its strength in the country.

It would appear that General Zia was disconcerted by the evidence against Mr Bhutto which he had found in the official papers. He had become increasingly convinced that it was not possible for Mr Bhutto to fight an election campaign until the charges had been dealt with. He began to use the word 'accountability'⁶ and to say that Mr Bhutto must first be accountable for his actions to the courts before the elections could be held. However, it is by no means certain that the courts will find that there is sufficient legal evidence to implicate Mr Bhutto personally in some of the excesses committed by his administration. No doubt, there are some witnesses who are not yet convinced that Mr Bhutto has no prospect of returning to power and are therefore reluctant to give evidence against him. Although it is clear that every effort is being made to proceed rapidly with the Kasuri case, in which Mr Bhutto is charged with conspiracy to murder, it is impossible to estimate whether and when a verdict in that case might make it possible for the preparations for the elections to proceed. Although the Alliance appears to have been pressing for elections within six months, General Zia is not now committed to a specific time-table. Moreover, it is difficult to believe that, if Mr Bhutto is acquitted by the courts, the military could stand aside and allow him to fight an election in which his prestige as a result of his acquittal might give him a good chance of victory. General Zia appears to be too convinced of the strength of the evidence against Mr Bhutto to contemplate with equanimity the possibility of his return to power.

In these circumstances it is difficult to be confident about how soon the armed forces will be able to hand over the administration of the country to 'the representatives of the people who are its real masters'. Yet the longer the handover is delayed, the more difficult it will be for the armed forces to extricate themselves.

In the thirty years since independence, Pakistan has searched in vain for stability. The Government of India Act 1935, as modified by the India Independence Act of 1947, the Constitutions of 1956, 1962 and 1973 have all failed to provide a stable political system. Liaquat Ali Khan, Ghulam Mohammad, Iskander Mirza, Ayub, Yahya and Bhutto have all failed to leave behind them a framework for political stability and economic advance. The remarkable events since the election in March have produced a new situation. It is difficult to be optimistic about how soon new elections will be held or what will be their outcome. Yet the prize is so great and the dangers of failure so daunting that it is just possible that a new

⁶ *Panorama* interview, BBC Television, 24 October 1977.

political leader may emerge. He might then be able to grasp this chance to lead Pakistan towards a new sense of purpose, identity and reconciliation so that she can grapple with the political, economic and social problems with which she is faced, and take her place in the international community as a major Muslim power, with extensive natural resources and human potential.

US human rights policy and international financial institutions

G. D. LOESCHER

IN his Inaugural Address on 20 January 1977, President Jimmy Carter mentioned human rights three times. With rhetoric reminiscent of John Kennedy's 1961 Inaugural Address, President Carter stressed: 'Because we are free we can never be indifferent to the fate of freedom elsewhere. Our moral sense dictates a clear-cut preference for those societies which share with us an abiding respect for individual human rights.'

With both word and deed, the new Administration has moved quickly to take the initiative on human rights matters. The President and the Secretary of State, Cyrus Vance, have given voice to the firm belief that human rights should be an important factor in the formulation and implementation of US foreign policy. According to Carter and Vance, consideration for human rights should pervade bilateral relations with other nations and policy in such areas as arms transfer, foreign aid and the North-South dialogue. In regard to human rights, then, the Carter foreign policy has represented a conscious shift away from that of the former Secretary of State, Henry Kissinger.

Human rights under Nixon and Ford

The negligible role played by the United States in promoting international human rights under the Nixon and Ford administrations has been well documented. Although Dr Kissinger respected the principle of human rights, he felt that there were limits to human rights policy-making. For him, the responsibility of the policy-maker was to strike a

Dr Loescher is Assistant Academic Dean of the College of Arts and Letters and Assistant Professor of Government and International Studies at the University of Notre Dame in Indiana, USA. He co-organized an international symposium on US foreign policy and human rights at Notre Dame last April and is co-editing a book on the same subject which is to be published by the University of Notre Dame Press in 1978. This article appears simultaneously in German in *Europa-Archiv*, Verlag für Internationale Politik, GmbH, Bonn.

'balance between what is desirable and what is possible'.¹ He believed that the US must accommodate itself to a world in which four-fifths of the nation states are controlled by some form of authoritarian regime. 'Quiet but forceful diplomacy'—the code words for procrastination on humanitarian issues—were the best means to further respect for human rights in the international community.

But already in 1973, in reaction to Kissinger's *Realpolitik* and disinterest towards human rights concerns, both Congress and non-governmental organizations were galvanized into specific action on the human rights front. Through a series of statutes linking foreign assistance or trade benefits to the status of human rights in foreign countries, the Congress laid the basis for future human rights policy. A tentative beginning was made in the 1973 Foreign Assistance Act with the formulation: 'It is the "sense of Congress" that the President should deny any economic or military assistance to governments of any foreign country which practises the internment or imprisonment of its country's citizens for political purposes.' A second 'sense-of-the-Congress' provision was enacted in 1974 with the passing of Section 502B of the Foreign Assistance Act of 1961. This provision stated: 'Except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights. . .'. According to this provision, President Ford was to advise Congress of any extenuating circumstances which might necessitate the sending of security assistance to a government even though it engaged in gross violations of human rights. However, the 'sense of the Congress' resolutions were not binding on the President. In addition, while the State Department contended that no objective means existed to make distinctions among offending nations on human rights conditions, the Executive Branch failed to reduce security assistance to any of the nations guilty of more serious violations. Frustrated by the inaction and even obstruction of legislative initiatives on human rights by the Ford Administration, Congress in 1976 eliminated the 'sense of the Congress' language and mandated the President either to terminate or to restrict aid to those countries which had violated human rights *unless* 'extraordinary circumstances' existed in which continuation of military aid to such nations was in the 'national interest'. In late 1976, President Ford refused to adhere to Congress's desire to cut aid to nations violating human rights by invoking the national security discretionary clause in connexion with military aid to Argentina, Haiti, Indonesia, Iran, Peru and the Philippines.

¹ For the fullest exposition of Dr Kissinger's position, see his address, 'Moral Purposes and Policy Choices', made in Washington, DC, on 8 October 1973, before the Third *Pacem in Terris* Conference, reprinted in 69 Department of State Bulletin 525 (1973).

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Congressional frustration with the Executive focused not only on security assistance but also on economic aid. In 1975, Congress tackled economic aid under criteria similar to those that existed in Section 502B with the exemption clause: 'unless such assistance will directly benefit the needy people in such country'. The Harkin Amendment which required US representatives on the Inter-American Development Fund to cast their votes against loans or assistance to any country engaging in gross violations of internationally recognized human rights was enacted in 1976. As with Section 502B and Section 310, the 'needy people' loophole was attached to the Harkin Amendment. In 1977, there was pending additional legislation relating US participation in several international financial institutions (IFIs) to the human rights performance of loan recipients.

As well as passing the general legislation on human rights which emerged during the Kissinger period, Congress also enacted provisions aimed at particular foreign states. For example, Section 26 of the 1974 Foreign Assistance Act limited military assistance to South Korea for one year. Section 406 of the International Security Assistance and Arms Export Control Act of 1976 terminated military assistance and placed a \$27·5 m. ceiling on economic assistance to Chile, while Section 505 of the Foreign Assistance and Related Programs Appropriation Act of 1977 cut off all military aid to Uruguay. Not only did human rights violations by right-wing military dictatorships become objects of legislative concern, but so too did the human rights situation in the Soviet Union and Eastern Europe. The Jackson-Vanik Amendment to the Trade Reform Act of 1974 tied the granting of most-favoured-nation treatment in trade in products from Communist countries to the maintenance of the freedom of emigration from those countries. In addition, Congress created the Commission on Security and Co-operation in Europe in 1975 to monitor actions of signatory nations of the Helsinki Declaration in regard to those provisions dealing with co-operation in humanitarian affairs. From the original hearings on human rights and US foreign policy, held by Congressman Donald Fraser's House Subcommittee on International Organizations in 1974, there emerged a report containing recommendations for increasing the priority given to human rights in US foreign policy and for strengthening the United Nations and other international organizations working in the field of human rights.² Among the 29 recommendations they included in the report, the Fraser Committee urged the State Department to reorganize itself to ensure that human rights issues would receive a hearing at various policy-making levels. In 1975, in response to these recommendations, the State Department

² *Human Rights and the World Community: A Call for U.S. Leadership*, Report of the Subcommittee on International Organizations and Movements, Committee on Foreign Affairs, 93rd Congress, 2nd Session (1974).

organized an 'Office of Co-ordinator for Humanitarian Affairs', appointed an assistant legal adviser for human rights, and assigned a human rights officer to each of the regional or geographic bureaux. Thus, by the end of 1976, a significant amount of legislation—all initiated by Congress—was in place for use by the Carter Administration.

Changes under Carter

By 1976, human rights had become an important issue in the eyes of the American public. Stimulated in part by reaction to Vietnam and Watergate and in part by the more than 80 hearings held on the subject of human rights and foreign policy by Congressman Donald Fraser, human rights interest groups had become extraordinarily active in the United States. Between the end of 1974 and mid-1976, US membership in Amnesty International, an international human rights organization dedicated to the release of political prisoners, grew from approximately 3,000 to 50,000.⁸ In 1976, a group of activists and scholars within the International Studies Association created an 'Internet' on international human rights, while in Washington DC a Human Rights Working Group was established to seek to co-ordinate the efforts of some 30 organizations concerned with international human rights issues.

The Carter Administration soon took advantage of the improved national climate for human rights initiatives. In marked contrast to his predecessor, who had refused to meet the Russian novelist, Alexander Solzhenitsyn, President Carter received the Soviet dissident, Vladimir Bukovsky, at the White House in March 1977. Moreover, in a letter to the Russian Nobel Laureate, Andrei Sakharov, Carter wrote: 'Human rights is a central concern of my administration. . . We shall use our good offices to seek the release of prisoners of conscience.' In the first few months of the new Administration, both the President and the Secretary of State spoke out on human rights violations in the Soviet Union, Czechoslovakia, Cuba and South Korea. Significantly, for the first time in memory, the United States publicly announced a reduction in foreign aid because of human rights considerations; Secretary of State Vance announced symbolically important cuts in assistance to Argentina, Uruguay and Ethiopia. The Administration also stated its unequivocal support for majority rule in Southern Africa and secured Congressional repeal of the Byrd Amendment which had allowed the importation of chrome from Rhodesia. The Carter Administration has also shown a willingness to support and initiate efforts within international institutions to develop effective methods to deal with violations of human rights. For example, under the leadership of Allard Lowenstein, the US delegation

⁸ See *Three Year Growth and Development Plan*, Report by A. Whitney Ellsworth, Chairman, Amnesty International USA Annual Meeting, 18-20 March 1977.

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to the UN Human Rights Commission played a particularly active role in the spring 1977 session. In his maiden speech before the United Nations, President Carter announced his intention to seek ratification of four human rights-related covenants and conventions, while in his address before the OAS Permanent Council, he stated his intention to seek Senate ratification of the American Convention of Human Rights.

Under the Carter Administration, an institutional structure which gives US foreign-policy-makers the opportunity to be informed about the human rights implications of their actions has become effective. The Office of Co-ordinator for Human Rights and Humanitarian Affairs has been enlarged and upgraded. Located on the all-important seventh floor of the State Department Building, the office has a relatively large staff of nearly 30 who have divided their responsibilities according to special issue areas: arms sales, the United Nations and its related agencies, international lending and financial institutions, the CSCE and Helsinki Declaration, non-governmental organizations, country and regional matters and refugee affairs. Co-ordinator Patt Derian, a former civil rights activist from Mississippi and a campaign supporter of Jimmy Carter, reports directly to the Deputy Secretary of State, Warren Christopher. As human rights are a central concern of President Carter, the Co-ordinator's office possesses considerable clout in the decision-making process. One of its primary functions is to make itself felt in the policy-making apparatus, in the planning and development of contingency courses, and in other areas of foreign policy where human rights input is relevant. This does not mean that human rights concerns are overriding in each case, but it does mean that they are considered and taken into account at the stages where policy is formulated.

US policy and IFIs

In the formulation of US foreign policy today, human rights issues are considered in the allocation of security, economic and financial assistance. New policies have been formed to reduce arms sales abroad, restrict the transfer of advanced weapons and reduce weapons co-production agreements with foreign states.

However, the most controversial aspect of making humanitarian issues a factor in the formulation of US foreign policy relates to American activity in international financial institutions. The current policy within the Department of State is to use the American voice and vote in all the IFIs to promote human rights objectives. Early in the Carter Administration, an inter-agency working group on human rights and foreign assistance chaired by the newly appointed Deputy Secretary of State, Warren Christopher, was formed to determine the US Government's position on loans and other forms of assistance from the IFIs to countries considered

to be gross violators of human rights.⁴ With the Office of the Co-ordinator for Human Rights and Humanitarian Affairs taking a leading role, the working group looks closely at the human rights implications of all upcoming loans to be considered by the IFIs. It can make any of the following decisions: (i) it can instruct the US representative to the IFI concerned to vote for or against the action or to abstain with or without explanation; (ii) it can try to persuade other representatives to the IFI concerned of the validity of US views; (iii) it can attempt to persuade IFI management to delay board considerations of a loan; or (iv) it can instruct the US representative to vote in favour of the loan but, at an appropriate time, to make clear to the receiving country American reservations about that nation's human rights practices and to warn that Washington will take into account the country's progress or lack of progress in this area in viewing future loan applications.

In judging each case, the committee looks at upcoming IFI loans within the Harkin Amendment guidelines and takes into account the following considerations: whether a country poses human rights problems; if the country has violated human rights, whether conditions are improving or deteriorating; and whether the loan directly helps the 'needy' of the borrowing nation. Information about the human rights situations in these countries is provided by the Department of State's Human Rights Reports and by such non-governmental organizations as Freedom House, Amnesty International, the International Commission of Jurists and the International League for Human Rights. A major consideration in the committee's deliberations is whether the loan will benefit the needy.

The experience of the United States in relation to IFI loans to date has been mixed. In addition, a number of individuals within the Departments of State, Treasury and Commerce remain unconvinced that human rights should be stressed or that economic sanctions should be used against military regimes which refuse to take measures to improve human rights or relax political repression. It is the view of these officials that ethical and political considerations conflict with the proper smooth functioning of the multilateral banks and financial institutions and may indeed ruin these institutions as valuable instruments of financial help to less developed countries. This view is shared by the representatives of many other nations, who point out that the articles of IFIs contain a provision not different in substance from the language in the World Bank's articles: 'The Bank, its officers and employees shall not interfere in the political affairs of any member, nor shall they be influenced in their deci-

⁴ The committee is composed of representatives from the Office of the Deputy Secretary of State, Consular Department, Congressional Affairs Office, Policy Planning, Economic Affairs, regional bureaux, the Office of the Co-ordinator for Human Rights and Humanitarian Affairs, AID, Treasury, National Security Council, Economic/Business Affairs, and Legal Affairs.

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sions by the political character of . . . [the recipient government]. Only economic considerations shall be relevant to their decisions. . . .'

The issues involved in the area of economic assistance and loans are extremely complicated. Economic sanctions must be used carefully if they are to achieve US human rights goals without endangering such other important foreign policy objectives as the development of countries receiving US assistance. The recent US abstention on the decision to grant two International Development Association (IDA) loans to Benin illustrates the difficulties involved. The Regional Bureau for Africa and the inter-agency committee favoured US abstention on two IDA credits to Benin in late May because both felt that such an American stand might have a positive effect on the Government of Benin. When casting his vote on the Benin loan at the IDA meeting, the American representative to the World Bank explained that the US was abstaining rather than opposing the applications because aid to Benin was clearly a case of granting aid to the neediest. A number of African representatives voiced short but sharp reactions to the US abstention and argued that not only was this clearly a loan to the neediest but also that the Bank's charter specifies that only economic criteria should be used in reaching loan decisions. One African spokesman voiced the opinion that the World Bank should conduct itself within the confines of its charter and that, if it is to remain a development bank, it would be best to leave political issues to institutions such as the UN General Assembly which are more competent and qualified to handle such matters. Moreover, it was pointed out that Benin is credit-worthy for IDA lending and that she was proposing an economically sound project which promises to help promote the nation's development. In any case, the African representatives felt that human rights are a subjective issue which cannot and should not be measured universally by any one country's yardstick. The overriding interest of African statesmen in the human rights sphere is in racial issues. The US is judged in large part on its performance in pressing for an end to white minority rule on the continent. It is the African view that US policies should be revamped to link future American investments to the promotion of racial justice in Southern Africa and not to deny international assistance to black African states on the ground of poor performance with regard to human rights.

The problem of including human rights considerations in decisions on international financial institutions is further complicated by the range and significance of other US national interests, such as maintaining strategic alliances, preventing nuclear proliferation, and stabilizing overseas investment opportunities. This complex web of interests is evident in the case of South Korea where the United States has a policy of not denying assistance to Seoul in spite of the South Korean regime's human rights problems. This policy results from the overriding importance of American troop withdrawals and security negotiations with the South

Koreans. The Administration has been careful not to link troop withdrawals to human rights. South Korea is a large recipient of aid from IFIs and particularly from the World Bank. Recently, several applications for World Bank loans to Korea have come up for consideration by the inter-agency group on human rights and foreign assistance. With the support of the Bureau of East Asian and Pacific Affairs, the inter-agency group voted affirmatively on the World Bank loans to South Korea, while agreeing that quiet but firm pressure should continue to be applied to the Park Government. The Bureau of East Asian and Pacific Affairs argued that the strategic importance of Korea to both the United States and Japan, the principal American ally in the Pacific, is crucial and overrides the human rights factor in US-South Korean bilateral relations. The foreign service officers responsible for Korean affairs maintain that, in the light of the US troop withdrawal and Park's political isolation and stubbornness, a cautious, low-key approach will maximize the possibility of achieving positive results with Park in the human rights area. The Coordinator's Office, on the other hand, has argued that only security assistance—not economic assistance—should be guaranteed to the Park Government. Some State Department officials have argued that the case of Korea and other strategic allies demands a two-track approach which would be developed so that military equipment could continue to be supplied to a country in whose security the US has a stake while, at the same time, the US Government could publicly dissociate itself from the repressive behaviour of that regime by cutting economic aid. South Korea is a particularly difficult case. If Park continues his repression and if the pending investigations into Korean lobbying activities turn up further violations, the danger exists that Congress might move ahead of the Executive Branch and legislate more rigorous limits on assistance to Korea.

Brazil is yet another country in which conflicting interests are at stake. The publication early in 1977 of the state of human rights reports required by the Congress, while not openly hostile to Brazil, was taken as offensive and as a deliberate effort to interfere in a sensitive internal political matter. The subsequent cancellation by Brazil of the military agreement with the United States ended an important symbolic link that stretched back to the early postwar years. In the light of this and because of fear of adversely affecting the opportunity to exert pressure on the West German-Brazilian nuclear agreement and of spoiling Rosalynn Carter's trip to Brazil, the inter-agency group at first deferred action on upcoming Inter-American Development Bank (IDB) loans to Brazil. However, as in the case of South Korea, Brazil is a large recipient of loans from the World Bank and also from the IDB. Bilateral economic aid from the United States to Brazil is minimal. Therefore, the committee felt that if Washington was to have any leverage in influencing the human rights

situation in Brazil, the Brazilians should be informed at the IDB that the United States was looking closely into their case. The Secretary of the Treasury, Michael Blumenthal, disagreed with the approach of speaking to the Brazilian Director at IDB since he had recently had a discussion with the Brazilian Finance Minister where he had mentioned human rights. In the end, the United States voted in favour of the loan to Brazil and the American representative to the IDB failed to make any protest publicly or privately about human rights violations in Brazil. A number of State officials reportedly were infuriated by this action and protested that the United States had quite clearly violated US law. In the case of Brazil, it is also clear that American multinational corporations and the private banks which provide short-term loans to Brazil are not anxious that human rights concerns should spread to economic and trade relations between the two countries.⁵

Congress vs. Carter

Efforts to use foreign assistance as a source of leverage for human rights observance have resulted in disconcerting alliances within Congress between conservatives concerned with human rights violations in Communist nations and liberals who are more upset by action in right-wing dictatorships. Liberals in Congress generally feel strongly about human rights and arms transfers, while conservatives look to human rights policy as a means of cutting multilateral and bilateral development assistance. Conflicts between the Carter Administration and Congress have developed particularly over the issue of punitive actions in the form of aid restrictions against countries which have openly violated human rights. The principal issue for the Congress is whether the Administration is serious about its commitment to human rights and will use aid cuts to back up its policy. The Administration, on the other hand, is concerned with whether Congress will yield the initiative in the human rights field and allow the Executive to undertake initiatives on behalf of human rights short of aid cuts.

Although Congress controls the purse strings and thus the policies of bilateral military and economic assistance programmes, it has no effective control over major multilateral channels of aid, including US supported IFIs.⁶ These institutions make decisions about which countries will receive loans or financial assistance in secret; the decisions are made by officials who are dependent in part on US funds but who are not directly

⁵ The President of the First National City Bank, William Spencer, assured the Brazilian authorities that 'the problem of human rights has nothing to do with the loan policies adopted by the large international banking organizations', quoted in *Latin America Economic Report*, 1 April 1977, p. 51.

⁶ See 'Foreign Aid: Evading the Control of Congress', *International Policy Report*, Vol. 3, No. 1, Center for International Policy, Washington, DC, January 1977.

responsible to the American people. Consequently, since early 1977, Congress has tried to extend its control and oversight to IFIs. The Reuss Amendment to the multilateral banks recommended that the Administration encourage the various multilateral lending institutions to channel aid to those countries which are advancing human rights. The much more rigid Badillo-Harkin Amendment, which was also adopted in the House, required the US delegate to each of the IFIs to vote against loans to repressive governments unless the loan was directly beneficial to needy people. The conservatives in the House had also flexed their muscles by approving a ban on loans to seven countries in which there is evidence of human rights violations. The ban specified that funds in the 1977 Foreign Aid Appropriations Bill could not be used for direct bilateral aid or for loans through the World Bank, Asia Development Fund, International Development Association or Inter-American Development Bank to Vietnam, Laos, Cambodia, Uganda, Angola, Mozambique and Cuba.

President Carter and the President of the World Bank, Robert McNamara,⁷ have expressed their opposition to these developments and argued that the US should not approach the IFIs as a means of chastisement rather than as a positive tool for human rights development. Administration officials argue that the Executive already supports human rights. What is needed is 'flexibility', not restrictions, so that human rights can be handled in the most effective way. The battle to discourage the extension of the Harkin Amendment to any of the other IFIs was aided by the support given to President Carter by Congressional moderates Donald Fraser⁸ and Hubert Humphrey.

In response to the President's personal pleas, the Senate and House removed the ban on loans to the above seven countries from the Foreign Aid Appropriations Bill. New legislation which gives the President some leeway in human rights policy has been agreed upon by leaders of both the House and the Senate. According to this legislation, the Administration is required to oppose all international loans to countries violating human rights; however, amendments to the proposed legislation will allow the President to support loans by multilateral institutions to offending countries when he can demonstrate in a written explanation to Congress that granting such loans will better serve the human rights cause. Human rights activists such as Congressmen Thomas Harkin and Herman Badillo look upon this loophole as backsliding and maintain that

⁷ In a letter to the US Secretary of the Treasury, Michael Blumenthal, McNamara warned that the World Bank would not accept any US funds with human rights restrictions tied to them. See Robert Rosenblatt, 'World Bank to Reject Funds if US Links Them to Rights', *International Herald Tribune*, 15 July 1977.

⁸ See Donald Fraser, 'Freedom and Foreign Policy', *Foreign Policy*, Spring 1977.

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the US should respond in strictly stipulated ways to any consistent pattern of human rights violations. Thus, by the end of summer 1977, considerable tension between the executive and legislative branches over the operation of an American human rights policy still remained.

Need for a policy framework

Difficult decisions in the area of economic assistance and loans are required if the US is to meet the challenge of its professed human rights policy. But economic sanctions are not the only means of achieving internationally recognized human rights norms. A prominent aspect of the Administration's general human rights policy framework is its preference for positive rather than punitive measures to promote human rights. Officials in the Co-ordinator's Office argue that punitive measures, such as cutting off military or economic aid or making public denunciations, tend to alienate governments and may prove ultimately to be counter-productive. Patt Derian has stated that the US should use the carrot as well as the stick approach to encourage favourable trends in the protection of human rights. Among the positive enforcements that ought to be pursued are the offering of aid, credits, trading concessions and favourable votes in multilateral institutions to states working to eliminate repression; the US might also undertake efforts to ensure a more equitable distribution of economic benefits to the peoples of less developed countries, to promote cultural and educational exchange with countries which are generally considered to be humane and democratic, and to avoid contact and identification with representatives of repressive governments. The publicity given to the visit of President Carlos Andres Pérez of Venezuela to the United States and the decision of the Congress to increase food aid to India in 'recognition of the restoration of democratic principles and political freedoms in that country' illustrate the use of this approach.

For the past several months, the Administration has been trying to develop a methodology for its human rights strategy. The Secretary of State's Law Day address at the University of Georgia⁹ and the Presidential Review Memorandum No. 28 are examples of efforts in the direction of a more systematic approach which, one hopes, will help US policymakers in their choice of options and informed decisions. What is needed now is the development of a policy framework which will replace the ad hoc approach to the promotion and protection of international human rights which has characterized the Carter Administration thus far.

⁹ Cyrus Vance, *Human Rights Policy*, Bureau of Public Affairs, Department of State, 30 April 1977.

The Peruvian tightrope

GEORGE PHILIP

If Peru defaults on her foreign debt, she will make international financial history, possibly encouraging other Third World countries to follow suit and triggering off a crisis among the international financial community. Within Peru, economic and social problems have assumed different shapes—falling food consumption, increasing infant mortality and sharply rising unemployment. Many of the reasons are familiar enough—low export prices as a result of world recession, a large foreign debt as a result of previous over-optimism and over-borrowing, and an import bill swollen by the direct and indirect effects of high oil prices. However, at the root of the Peruvian situation there is a political crisis. This is most apparent within Peru's governing élite—that is to say, within the armed forces.

The army has always played a central role in Peruvian politics, but until 1956 its role was fairly predictable, since it was politically conservative, economically ignorant and generally dependent upon the support and advice of the civilian élite. Between 1956 and 1968, however, a series of changes took place which permitted the emergence of a radical military government between 1968 and 1975. But with the failure of the military radicals, the question of where to go from here has arisen again. At present, Peruvian politics is defined by the different answers offered.

Background to Velasco, 1956–68

It will be possible here to provide only the barest summary of the major political developments of the 1956–68 period.¹ These were essentially three in number. First, the army—which had already shown itself to be extremely active politically—became increasingly disciplined, self-confident and cohesive. A focal point for this change was provided by the creation of a military ideology at the college of military higher education—CAEM.² This ideology was not particularly original or profound, but it had great political significance stemming from its effect upon military

¹ These are outlined in more detail in G. Philip, *The Rise and Fall of the Peruvian Military Radicals 1968–76* (London: Athlone Press, forthcoming)

² The best book on CAEM is by V. Villanueva, *El CAEM y La Revolución de La Fuerza Armada* (Lima: Instituto de Estudios Peruanos, 1972)

Dr Philip is a Lecturer in Latin American Politics at the London School of Economics and Political Science and at the Institute of Latin American Studies. This article was written on his return from a recent visit to Peru.

self-confidence. CAEM's ostensible concern with economic development (as a means towards the achievement of national security) only disguised its real message. This was that civilian politics were corrupt and unable to solve the pressing problems of the nation. Technocracy was the answer and the dedicated public servants to impose it would naturally be drawn from the ranks of the military. To achieve this, it would be necessary to overcome the self-interested opposition of those who might be seen as political rivals—Peru's political parties, the Congresses and the 'oligarchy'. Any common ideology will tend to make it easier for authorities to maintain the allegiance of their supporters, and CAEM's ideology was clearly of particular value to a military leadership.³

During this period, military politicians were also strengthened institutionally. Until 1962, a military President was simply a man who had mounted a successful coup, or who had won genuine or fraudulent elections. His relationship with the rest of the armed forces was ambiguous, or even non-existent. Thus, he tended to surround himself with civilians and to try to legitimize his position by holding elections. This conflict between military and governmental hierarchies encouraged disobedience on the part of disaffected officers and made prolonged military government difficult. From 1962, however, military governments became 'institutionalized', that is to say that military and governmental hierarchies were unified. Government was carried out in the name of the armed forces as a whole and almost all major administrative positions within the nationalized industries as well as the Cabinet came to be held by military men on the basis of seniority. Career logic, therefore, tended to strengthen rather than weaken the military-political structure.

Secondly, the climate of Peruvian politics changed considerably in the years before 1968. A period of rapid, capital-intensive and export-orientated economic growth allowed 'modern sector' incomes to increase sharply; groups which had been marginalized and radicalized during the 1930s now achieved considerable prosperity. Incomes even increased within the urban service sector.⁴ Consequently, most easily organizable groups (urban workers, plantation workers and the urban middle class) became markedly more conservative during the period—a change which was reflected in the major civilian political parties, notably Apra. Apra, which had been radical and militant during the 1930s, had become a party of the centre-Right by the 1960s, even using its Congressional position to block reforms proposed by its political rivals. Since 1968 it supported the

³ As Villanueva put it, 'Caem thus *rationalized* the old rejection of civilian life by the soldier.' (Concluding sector of *ibid*, author's emphasis.) Compare General Velasco's assertion that 'Our role as governors is inseparable from our duty as military officers' (Quoted in *Nueva Cronica*, 22 December 1971.)

⁴ See R. Webb, 'Government policy and the distribution of income in Peru 1963-73' in A. Lowenthal (Ed.), *The Peruvian Experiment: Continuity and Change under Military Rule* (Princeton, N.J. Princeton UP, 1975).

military regime in return for what it hoped would be concessions and an opportunity to undermine the radicals from within.

Aprista rivalry with the military, however, had for a long time been bitter and Apra's change of position, while modifying the hostility of some army officers, also enabled a group of military radicals to use *anti-Aprismo* as an argument for reform. The radicals believed that a radical-populist programme would enable the military to undercut Apra's popular support and so eliminate that party once and for all. They were encouraged in this belief by a number of left-wing intellectuals who, abandoning their hopes for democracy (and faced with the defeat of the Castroist guerrilla uprising of 1965), decided to cultivate sympathetic military officers on the ground that authoritarian reform was better than none at all. At the same time, the generally conservative drift of civilian politics convinced many officers that the military could carry out an ambitious programme of social reform without losing their leadership to more radical organizations.

Thirdly, military radicalism in October 1968 was strengthened by the tactical balance of forces. The civilian President Fernando Belaúnde Terry, who had been elected in 1963 with military backing, had been forced to abandon his reform programme as a result of Congressional opposition and had decided instead to come to terms with Apra. This alliance decisively alienated the civilian Left, which became increasingly eager for military intervention. Military intervention was supported also by the civilian far-Right, which had traditionally been on good terms with the armed forces and which feared that even a moderate conservative alliance would be strong enough to collect taxes and carry out at least some reforms. These unlikely partners were brought together into a tactical alliance by Belaúnde's botched attempt to come to terms with the American-owned International Petroleum Company, which would have put an end to a long and acrimonious dispute between the company and successive Peruvian governments. This failure provided the necessary opportunity for a number of army officers, led by General Juan Velasco Alvarado, to mount a 'nationalist' military coup.⁵ In the months that followed, the radical faction of the military successfully took over the key positions within the Government and within the command structure of the army.

The Velasco regime, 1968-75

Velasco's regime (1968-75), however, aggravated rather than solved Peru's problems, since its few genuine achievements were overshadowed by a great number of costly blunders. Some of these were strictly economic. Thus, agrarian reform, which most agreed was necessary,

⁵ For background, see Christopher Roper, 'Peru's long-standing problems', *The World Today*, June 1969.

became bogged down in a welter of conflicting claims and interests which the regime proved incapable of sorting out; consequently, per capita agricultural production failed to increase significantly. The expansion of the public sector (which likewise was clearly desirable on a long-term basis) was ill thought out and indiscriminate and many of the nationalized industries were subsequently allowed to sink into a morass of bureaucratization, inefficiency and corruption from which it will be difficult to recover. Economic problems were compounded by the regime's over-borrowing and heavy investments in several ambitious but unsuccessful projects. The fishmeal industry—Peru's main export earner in the late 1960s—was all but destroyed by overfishing. Velasco's anti-American rhetoric and dramatic nationalizations produced only worn-out equipment, the suspension of foreign aid and growing debt as a result of the need to pay compensation and replace declining foreign investment. These mistakes were made worse by the impact of world recessions and by mid-1975 it was clear that Peru faced a period of severe economic austerity.

Perhaps even more importantly, the regime's somewhat half-hearted efforts to build a mass civilian base were unsuccessful. Largely because of internal disagreements, the authorities managed to fall between a number of stools, damaging private investment, increasing social conflicts and raising expectations which they were unable to fulfil. As a result, the regime stirred up strong opposition, not only among middle class conservatives, but also among those who had hoped to gain from the 'Revolution' and subsequently came to feel disillusioned and cheated. These developments frightened the military conservatives and led the Government to try to head off serious conflicts by becoming increasingly cynical and manipulative. Even its manipulations proved unsuccessful, however, and the overthrow of President Velasco by General Morales Bermúdez in August 1975 was accompanied by general rejoicing.

The aftermath, 1975-77

By 1975, therefore, Peru's political climate had changed decisively. The military's traditional ally—the civilian Right—was shocked by many government measures, which went beyond land reform to include exchange controls, profit and power sharing with industrial workers and, most unpopular of all, nationalization of the press. But rather than trying to understand the underlying causes for the military's actions, civilian conservative spokesmen reacted by personalizing the period and blaming everything on Velasco and a handful of left-wing civilians.⁶ Even so, however, it is likely that conservatives will hesitate before encouraging

⁶ This is very much the position taken, for example, by A. Baella, *El Poder Invisible* (Lima, 1976), which has been so popular that it has gone into four printings in its first year.

new upheavals. Meanwhile the Left, including many of Velasco's former advisers, became thoroughly disillusioned by the way in which it was manipulated by a regime whose military élitism was never very well disguised.⁷

Perhaps most important of all, many politically less committed civilians have reacted against what they see as the overspending, mismanagement and corruption of the military regime. Such a reaction is easy to understand. Military spending has indeed reached remarkable levels in the last three years; while no figures are made public, it is widely believed that in 1976 some US \$600 m. was spent on buying arms—accounting for a third of Peru's exports. Even at this year's lower level, arms purchases will amount to around US \$350 m.⁸ Moreover, military salaries are not neglected; a young army captain now earns as much as a senior university professor (and officers have considerable opportunities to earn income from other sources); even an ordinary policeman is paid more than a schoolteacher. Thus, over the last nine years, the gap has widened considerably between, on the one hand, the military, a few specially appointed top government officials and a handful of private businessmen (who generally need good military contacts if they are to succeed), and, on the other, the Peruvian middle class as a whole. Consequently, hatred of the military is one of the strongest political emotions among the Lima middle class.

Moreover, the armed forces themselves have been affected by the recent changes. Internal unity was lost during the course of a long struggle for the succession to Velasco (which began with his first serious illness in February 1973 and lasted until the coup of August 1975), and it has never really been recovered. Consequently, Velasco's successor, President Morales Bermúdez, has been forced to adopt a fairly low profile and has been careful to follow the politics of compromise. A more decisive pattern of leadership would almost certainly force political divisions into the open to an extent even greater than has happened so far. If this were to occur in the midst of an economic and political crisis, the consequences would be incalculable.

In addition, the army has become increasingly conscious of its own unpopularity. In this respect, the decisive event was probably this year's general strike of 19 July (the first in Peru since 1919), which was supported by the Communists and the other parties of the Marxist Left and proved to be astonishingly successful in the cities, particularly Lima. Even if the Government succeeds in repressing or co-opting the major civilian organizations, it will still be relatively easy for formerly insignificant political groups to exploit the unpopularity of the Government by

⁷ An excellent insider's account of this manipulation is provided by G. Thorndike, *No! Mr General* (Lima 1976). Thorndike was made editor of the *Nueva Cronica* after the press nationalization of July 1974 and resigned in 1975.

⁸ This is the IMF estimate, quoted in the *Andean Report*, August 1977.

calling for strikes or acts of disruption. Moreover, the civilian far-Left has grown considerably over the past nine years as a result of the expectations raised by Velasco's abortive 'Revolution', and its strength will increase as the austerity measures continue.

Government strategy

What, then, is to be done? President Morales's strategy involves an orderly retreat from power by the military. Elections have been called for 1980, and the intervening period is to be used for discussion of a new constitution and correction of the economy. If this strategy succeeds, it is reasonable to suppose that the military will influence the choice of President and will continue to exert considerable influence from behind the scenes, as well as maintaining their generous budget and most of their privileges. To achieve success, however, it will be necessary for Morales to find a new 'common ground' with the moderates in politics, substantial enough to elect a President in 1980 and to prevent social tensions rising uncontrollably thereafter. In search of such common ground, Morales has maintained at least verbal continuity with the Velasco regime and has so far resisted pressure to turn back the clock to before 1968. Thus, his formula rejects both drastic reforms and total repeals, major purges of the public sector (and even more, of the army itself) and wholesale denationalizations. Instead, a series of piecemeal changes is intended to bring about a recovery in the confidence of the private sector and to reconcile civilian conservatives to the essential features of the *Velasquista* state.

This strategy also requires a rapprochement with Apra, whose electoral and trade union organization is crucial to its success. Apra, which was singled out for attack by the *Velasquista* military radicals, has now been courted with apparent success by Morales. Some kind of agreement appears to have been reached according to which Apra will use its trade union power to stifle popular protest at economic deflation, in return for the power to influence the choice of President in 1980, when a candidate acceptable to both Apra and the military would be allowed to win. Meanwhile, Apra's traditionally close links with the US State Department and oil-rich Venezuela would help the Government's search for cheap credits with which to repay its debts. Apra's acceptance of these terms no doubt owed much to the fact that its party leader, Haya de la Torre, is 82 and has no obvious successor; it will therefore be far easier for Apra to back a 'non-party' candidate than it would have been some years ago. The Communist Party, rightly fearful of a 'Chilean solution' if the Morales strategy fails, has also guardedly supported the regime.

However, General Morales, who has now been in power for over two years, has so far achieved few successes and time is running short. He has, it is true, fixed a timetable for elections but the economic situation has

actually worsened since 1975 and, as time goes on, solutions will become more difficult. His search for political compromise has been expensive. His tactic of consulting the military as a whole before taking any important decisions was brilliantly successful in July 1976, when the resignation of the last *Velasquista* radicals was forced without the violence which many feared and without the wholesale purges that would have delivered power to the military far-Right. It was less successful, however, in persuading the military to cut spending or in holding ministers to restrictive financial targets; consequently, from last March onwards, the Government appeared to lose financial control and the economy, already in a precarious situation, began to deteriorate further. Since then, two IMF-inspired budgets have been rejected by the Council of Ministers and the position is now becoming desperate.

Resistance to austerity comes from various sources and for different motives. Some of these are personal or calculating, others are institutional (since military spending will itself have to take its share of the cuts); but there is also a genuine fear that austerity will provoke a popular reaction which would necessitate massive repression, thus alienating Apra and the Communists and destroying the Government's political strategy. Given this mixture of motives, it is fitting that the opposition has been led by the Air Force officers—the main beneficiaries of heavy spending on armaments—and by the Minister of Food, who has become seriously concerned by the fall in food consumption within the country, and who conspicuously refrained from applauding Morales after the latter's speech for the anniversary of Peru's independence on 28 July.

General Morales has also been forced to shelve his objective of rationalizing and revitalizing the public sector. There has been no shortage of advice on this subject, and this boils down to a set of familiar recommendations: reduce red tape (particularly over import licences and employment practices), appoint managers with more experience (and preferably without uniforms) and give them more autonomy. However, little has been done so far and it is easy to see why. Redundancies, always difficult, would now threaten the Government's political strategy, while greater freedom to import might inflict short-term damage on an already critical balance of payments. Administrative reorganization, moreover, would alter the fragile balance of power within the Government and might make enemies which Morales just could not afford. However, without such changes, the public sector will continue to attract criticism and to be a drain on economic recovery.

Waiting in the wings is a group of hard-line officers who are impatient with politics and unsympathetic to the regime's balancing act. These officers may intervene in order to end the strategy of compromise and to dismantle the *Velasquista* state—by selling off nationalized industries

wholesale, abolishing exchange controls, devaluing drastically, ending food subsidies etc.—in order to placate the private sector and attract the return of an estimated US \$150 m. held by Peruvians outside the country (not that this would do more than scratch the surface of Peru's debt problem). It is not clear, however, that such a strategy could succeed, there are still *Velasquista* captains and majors within the army who have so far reluctantly supported Morales, but may turn against a Peruvian Pinochet. Moreover, it is hard to see how a hard-line government could avoid openly attacking its military predecessors for mismanagement and even gaoling a few for corruption; but if it did so, would it still be able to rely upon military loyalty? And would even draconian measures be sufficient unless they touched the army itself—especially if Lima lost the support of Washington and Caracas, which is now desperately needed? But if the armed forces were directly affected, would they continue to support the Government? And would one coup not loosen the bounds of loyalty and lead to others?

It is clear, therefore, that General Morales's greatest strength lies in the absence of credible alternatives—a fact realized by the military themselves. However, if he is to succeed, he will need a deal with the IMF (since it is apparent that the consequences of Peru's defaulting on her debt would be catastrophic for a country which has no hope of running a trade surplus this year); this in turn will require even tougher austerity measures which, in the absence of thoroughgoing economic reorganization, will fall yet more heavily upon the poor. The forming of a political consensus also promises to be difficult; much of the private sector wishes to turn back the clock to pre-1968 politics, despite the degree of repression which would now be necessary, and its pressure will continue at least until the public sector can be rationalized. Moreover, if the military were to resort to repression, this would help to solidify what is still a very divided political Left and could lead to a new polarization in which the army would be forced to play a new conservative role in an increasingly violent climate. Again, therefore, the best chance for General Morales lies in the fact that the alternatives to his strategy are understood only too well.

Direct elections to the European Parliament: the French debate

ULIAN CRANDALL HOLLICK

PRESIDENT Giscard d'Estaing signed the Bill ratifying direct elections to the European Parliament on 30 June 1977, but only after a spring of violent debate and political manoeuvring that brought back memories of the passions and wounds provoked by the quarrel over the European Defence Community in 1954. A proposal that had seemed uncontroversial and technical in 1974 had blown up in the President's face, threatening the remaining cohesion and credibility of both his majority and his Government. This article examines the substance of the recent debate and explains how the issue of direct elections to the European Parliament was manipulated by the political parties for very different ends.

Until the beginning of 1977 only the Communist Party was publicly hostile to the very principle of direct elections. The Gaullists had considerable reservations about both the nature of the proposed Parliament and the method of election. Outright opposition was limited to a few ultra Gaullists, grouped around M. Michel Debré, the first Prime Minister of the Fifth Republic, M. Alexandre Sanguinetti and M. Pierre Messmer.¹ The majority of the party did not share their fears and lacked the stomach to attack the President on this issue. The Independent Republicans and the Centre parties, which completed the Presidential majority, were in full agreement with the proposals. The desirability of Europe's construction has long been an important part of their political beliefs.

The Socialist Party was split on the issue. The CERES² group draws essentially pessimistic conclusions from the capitalist nature of the Community and its alleged imperialistic domination by American and West German capitalism, and views any further political or economic integration as precluding all possibility of a socialist experiment in France. The majority share this analysis of the nature of the Community, but draw completely opposite conclusions. They acknowledge the realities of

¹ See Michael Leigh, 'Giscard and the European Community', *The World Today*, February 1977, pp 77-8

² *Centre d'Etudes, de Recherches et d'Education Socialiste* a left-wing group within the party, representing about a quarter of party membership, and particularly powerful in Paris.

The author is a research student at the London School of Economics where he is completing a thesis on 'Anti-americanism in post-war France'. He would like to thank M. Gilbert Pilleul of the Institut Charles de Gaulle in Paris for his help.

economic interdependence and insist that the dangers posed by German or American imperialism have been much reduced by the economic crisis. If a socialist experiment is to succeed in France it would need, at the very least, the benign approval of her neighbours, and, at best, their help and encouragement. The European Parliament would provide a government of the Left with an ideal tribune from which to rally support and explain its policies.⁸

The Communists refused to see in the Community anything other than a capitalist block, turned against the Soviet Union, inimical to Socialism in Western Europe, and a vehicle for German '*revanchardisme*'. Although they have not ignored the present European Assembly, their stated view (this has been a cause of past friction with the Italian Communists) was that a directly elected Assembly would increase the danger of West German rearmament.

The debate which took place this spring can be analysed at two distinct levels. While a noisy and violent dispute about the nature and the future of Europe dominated the media, it was allowed to do so by the main political parties which exploited the issue to secure permanent advantage within their respective coalitions before the general elections in March 1978.

Nationalists and neutralists

Most of the impassioned argument was produced by a very small number of intellectuals, journalists and politicians on the extremist fringes of the political spectrum. Starting from widely varying premises, each group or individual arrived at the same unequivocal denunciation of not only the project, but also the nature, and in some cases the very notion, of 'Europe'. The Nationalists consisted of a handful of Royalists and a very small group of ultra Gaullists led by M. Michel Debré. On the Left were a disparate collection of veteran neutralists from the early 1950s grouped around M. Claude Bourdet's 'Committee against American-German Capitalist Imperialism'. The CERES shared their anti-capitalist and neutralist views, but felt unable to campaign too vociferously or publicly on the whole issue because of its need to secure support within the Socialist Party rank and file before the Party Congress in June 1977. To have taken an extreme position would have condemned it to isolation within the party at a time when it could ill afford such a doctrinal luxury. In between were a small band of left-wing Gaullists who combined the nationalism of the Gaullists with the neutralism and anti-capitalism of the neutralists.

Their various arguments, developed in the press or in public meetings, did not attract big audiences. All started from the same postulate, that

⁸ See, for example, 'Pourquoi le P.S. dit oui' by Gilles Martinet in *Le Matin de Paris*, 14 April 1977.

France must remain independent, whether for nationalistic or neutralist reasons. M. Bourdet argued that Europe was a charade and a failure, fatally compromised by capitalism at the expense of the working class and almost exclusively for the greater profit of American imperialism and German hegemony, which between them would prevent any attempt at progressive social innovation in the 'Latin' countries of Europe.

The left-wing Gaullists argued along very similar lines. To accept a popular European Assembly was to further legitimize the capitalist nature of the Community, accentuate the German-American stranglehold on the EEC and condemn France to imprisonment within a reactionary anti-popular block. The Royalists argued that parliaments had proved themselves to be ineffectual, nothing more than rubber-stamps for capitalism and imperialism and therefore dangerous per se. Perhaps the most dramatic example of this whole line of argument was provided by M. Bourdet when, on the eve of the ratification debate in the National Assembly in June, he compared the decision to approve the principle and method of direct elections to that taken by the National Assembly in June 1940, when it voted in the Vichy regime. Only Britain, in the shape of the Tribune group, could once again save France!⁴

M. Debré added that the other members of the Community would try to curtail France's independence and bring her back into the American camp. He specifically feared that a directly elected European Parliament would consider itself free to become a constituent assembly regardless of the limitation on its powers in the Treaty of Rome. He argued that the Commission in Brussels was hostile to France because France, in turn, was hostile to all supranationality; therefore, it would attempt to use a European Parliament to destroy French independence. The Parliament would thus be, by definition, anti-French, and, as France was the only truly European power, it would be anti-European too.⁵

M. Debré also attacked the method of election, a tactic which probably provided him with a more realistic chance of success. He claimed that because the smaller states would have proportionally more members of parliament per head of population than France, the future of France would no longer be decided by Frenchmen. He wanted only members of the French National Assembly to be eligible for election to the European Parliament, and for both method and electoral district to be similar for national and European elections. This presupposed a European Parliament of enormous size. Otherwise, he argued, France's unity would be threatened and her sovereignty compromised.

Domestic concerns

During much of 1976 it appeared that, if there was going to be a

⁴ Claude Bourdet, 'Comme en 1940', *Le Monde*, 12-13 June 1977.

⁵ Michel Debré, *ibid.*, 29 December 1976, 21 January 1977 and 30 April 1977

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quarrel between the parties, then it would be over the method of election, and not over the principle itself. The Government hesitated between three possible options. It could, first, retain the existing modified first-past-the-post system (used in national elections) in new, 'European' electoral districts, second, it could use this system in new regional electoral districts; and, third, it could propose a system of proportional representation with the whole country as the only electoral district.

The regional system would have been bitterly opposed by the Gaullists on doctrinal grounds, as likely to lead to the dislocation of France. Moreover, recent trouble in Corsica and Brittany made it extremely unlikely that the Government could seriously consider this solution. Creating 81 artificial electoral districts would have been a long and politically hazardous process. M. Debré argued that it would destroy the legitimacy of the *député* and the national Government's authority. The simplest and least controversial method, therefore, would be a system of proportional representation with national party lists. Proportional representation was officially favoured by the partners of the left-wing alliance for national elections, and could therefore possibly serve the President as a trial balloon for an eventual change in future general elections. If these were held under a system of proportional representation they would theoretically produce the centre majority to which President Giscard d'Estaing aspired. For the Gaullists this third proposal would be the least dangerous system, although M. Debré castigated it as likely to produce an undemocratic assembly of political parties, to the detriment of popular opinion and will. Therefore, by a process of elimination, the decision on the method of election had really been made for the President by the spring of this year and was no longer a bone of contention.

In July 1976 the Nine reached agreement about the size, date and method of elections. The President immediately summoned a Cabinet meeting on 15 July, which reportedly approved the agreement unanimously. It was believed that the only previous dissension within the Cabinet had come from the four Gaullist ministers, including the then Prime Minister, M. Chirac, and that only over the minor problem of the size of the new Parliament.⁶

M. Debré, however, continued his lonely diatribe against the project, going so far as to argue that the very principle of elections was incompatible with the Constitution of the Fifth Republic because it would divide the indivisible national sovereignty. The former Foreign Minister, M. Michel Jobert, joined him in his opposition, arguing that France could transfer sovereignty only if the other signatories did likewise; however, as France alone was independent of the United States, and hence

⁶ See *Le Monde*, 17 June 1977.

truly sovereign, there could be no genuine reciprocal transfer of sovereignty by the other members of the Community; therefore the election were a trap.⁷

None of this would have had any impact on the President or the public but for one additional and decisive political event in the autumn of 1976 the resignation of M. Chirac from the Government, and his successful attempt to relaunch the Gaullist UDR as the *Rassemblement pour République*, a reincarnation of the *Rassemblement du Peuple Français* which was General de Gaulle's first political movement, born in the chilly days of the Cold War. M. Chirac set out to give this movement a distinctive originality by an attitude of almost constant opposition to the President while remaining officially within the presidential majority. This had the effect of keeping his supporters together; it was also designed to bend the President to his will so that M. Chirac, whether officially or otherwise, would be the real leader of the Government and of the presidential majority.

To head off M. Chirac, and to a lesser degree M. Debré, the President therefore submitted the EEC Council of Ministers' Agreement of September to the national Constitutional Council in November. While it was deliberating, M. Chirac declared on 17 December in Strasbourg that although he welcomed direct elections as a necessary element in the building of Europe, he refused any extension of the new Parliamentary powers.

On 31 December 1976 the Constitutional Council published its decision. It concluded that as long as the European Assembly's powers were not increased there was no need for a revision of the Constitution, as M. Debré had argued. Republican sovereignty was not threatened because France's representatives to the Assembly would be elected by Frenchmen. M. Chirac welcomed this decision, although he wanted additional clauses to limit any possible extension of the Assembly's powers without an automatic revision of the national Constitution. M. Couve de Mulville, in his official capacity as chairman of the parliamentary Foreign Affairs Commission, undertook to try to have this written into the Government Bill before it was published.

Other reactions were equally predictable. The Communist Party declared that there was inadequate protection against German imperialism, and on 6 January M. Marchais thundered that 'the party would never yield in its opposition to Giscard's proposals'. M. Debré's reaction was to establish a 'Committee for the unity and independence of France' that at last provided a focal point for many of the extremist opponents of direct elections. In order to remedy 'one of the worst texts in French diplomacy' he also proposed two additional articles that would have severely limited the powers and rules of the European Parliament to

⁷ See Michel Jobert, *Le Monde*, 17 December 1976.

FRENCH DEBATE

7 weeks of ineffectual debate every year, and would have made it possible for anyone to be a European member who was not already a member of the National Assembly. It was observed at the time¹ that the Bill had been around for too long and was too technical to be able to provoke a crisis, unless someone decided to exploit it for domestic political reasons. If anyone was to make such an attempt, it would probably be M. Chirac.

Until April, the leader of the RPR had other weapons with which to put pressure on the President. Inevitably, he did take up the issue when he felt that it was ripe for exploitation. At the end of March he declared that the proposed elections were incompatible with his idea of national independence; the RPR would not vote for the Bill. A week later he indicated that the Bill (still unpublished) contained 'insufficient guarantees', thereby hoping to force the President to make additional concessions. On 1 April, M. Mitterrand, in his turn, seemed to have decided to use the Bill to impose his authority on the CERES group and on the Communists. He proposed that the question of direct elections be included in the renegotiations of the Left's electoral pact.

Communist volte-face

The Communist reaction was extraordinary. On the morning of 1 April, a member of the party secretariat rejected M. Mitterrand's proposals out of hand. That same evening, on the radio, M. Marchais opposed the Party's opposition to the elections, provided that there were certain written guarantees that would prevent any extension of the power of the future Assembly, and an international undertaking by all elected representatives that they would work only within the existing rules of the Assembly. This complete volte-face must be put down, in part, to a genuine desire to appear 'Eurocommunist' and to make a future left-wing government credible both to domestic and, in particular, to European opinion. M. Marchais probably also reasoned that the move might strengthen those within the Socialist Party favourable to Communist views on what should be included in the renegotiated Common Programme. The Communist parliamentary group proceeded to prepare a list of amendments containing the guarantees announced by M. Marchais, and they were published (coincidentally?) on 18 May, a few hours before the Government released the text of the Bill of ratification. The Communists wanted proportional representation with national lists (the French method) to be mandatory for all subsequent elections. They sought to have any extension of the Assembly's powers banned and stipulated that if this was violated, such powers would be declared null and void within France.

The Government's text, published that afternoon, set out the method

¹ J. P. Cot in *Le Nouvel Observateur*, 3 January 1977

lection, with a minimum requirement of 5 per cent of the votes in order to qualify for a seat. It proposed that the Bill be ratified in two separate debates, one on the method, the other on the principle. The text of the latter debate consisted of two clauses: Article 1 simply stated the purpose of the Bill; Article 2 said that any extension of the Assembly's powers, which was not authorized and ratified according to the provisions laid out in the Treaty of Rome, and which had not been subject to constitutional revision in accordance with the decision of the Constitutional Council, would be null and void within France.

M. Chirac welcomed the text, but only as a step in the right direction, and complained that the guarantees were political anyway and had no legal power outside France. Other parties also sought to exploit the 'weaknesses' of Article 2. On 25 May, a Communist deputy proposed that ratification be postponed until sufficient guarantees had been obtained from France's partners. Obviously the Communists did not want to be forced to vote on this issue until they had obtained concessions from M. Mitterrand in what were proving to be difficult renegotiations of the 'Common Programme'. Likewise, J.-P. Chevènement, leader of CERES, while seeking more precise guarantees, wanted the ratification debate postponed until after the Party Congress in June, in order to be seen as threatening party unity.

The last stage of the drama was played out almost entirely within the Assembly, and between it and the Government, against a rain of newspaper criticism from the nationalist and neutralist opponents of the Bill. On 31 May, the Prime Minister, M. Raymond Barre, tried to convince the Assembly's parliamentary group that, as Article 2 was only valid within France, constitutional amendments would in no way give additional guarantees to the possible extension of the European Parliament's powers. Other members of the Community, particularly Britain and Denmark, were unlikely to agree to any such extension. Besides, France had the right of veto within the Community, and it was surely dishonest and unrealistic to suppose that French representatives, whether in Brussels or in the new Parliament, would do anything but their utmost to protect France's interests and independence.

As M. Chirac was determined to push the issue to the brink, he was likely to fall into line at this stage. But the Party was badly split on the issue; the handful of ultras were counterbalanced by a dozen uncommitted Europeans represented by M. Chaban-Delmas, and by a moderate centre around M. Olivier Guichard who shared neither the fears nor the enthusiasm of the two extremes. On 2 June the RPR announced that it would table an amendment to the Bill, forcing the Government to hold new elections and renegotiations of the Treaty of Rome if the Assembly sought to extend its powers. M. Chirac went further and declared the same day that the European Parliament would mean a federal, supranational Europe. Two

days later, he bitterly criticized the President's foreign policy in front of the Foreign Diplomatic Corps at the Hotel de Ville.*

The political council of the RPR met on 7 June to decide how to vote in the ratification debate which was to be held on 14-15 June. The party was informed that, under a rule of the National Assembly, it was not allowed to table an amendment to a bill ratifying an international agreement. To vote the Government's text would have been a rather tame and inglorious end to this particular campaign against the President. The solution was supplied indirectly by M. Debré, who insisted on tabling a procedural motion that would, if approved, have killed the Bill and precipitated a general election. M. Chirac wished to avoid this and the stigma attached to bringing down his own Government. But M. Debré forced his motion to a vote. Over half of those present abstained; nevertheless, M. Chirac was shocked at the degree of support for M. Debré's views within the Council. There was only one possible course open to M. Chirac that would, at one and the same time, head off the threatened procedural motion, maintain party unity and preserve the Gaullist's public image as defenders of France's independence. Using the pretext that it was impossible to present an amendment to the Bill, M. Chirac proposed that ratification be postponed until the nine members of the Community had decided upon the powers and role of the future Parliament.

By proposing that the Bill be postponed M. Chirac surely reasoned that the Government would be obliged to ratify the Bill using Article 49 of the Constitution, under which the Bill would become law without a vote unless a censure motion was proposed within 24 hours of the end of the debate. He showed his hand by immediately announcing that if Article 49 was used to push the Bill through, then the RPR would not vote a censure motion. This ingenious tactic ensured that the unity of the RPR was maintained. At the same time it deprived the President of victory for his Bill and robbed him of a triumph over M. Chirac. President Giscard d'Estaing publicly rejected M. Chirac's arguments. No amount of amendment could strengthen Article 2 of the Bill. M. Chirac knew this. Moreover, Article 2 had been negotiated and accepted by M. Couve de Murville on behalf of the RPR. If M. Chirac had new objections, they seemed to be less of principle than of political opportunism.

The Socialists and Communists refused to become involved in this quarrel or to vote a censure motion. Both of them were only too delighted to be let off the hook and avoid having to air their differences. There were many other issues from which they would not be able to escape so lightly.

Before the debate opened on 14 June, the Government decided to use Article 49 if the RPR persisted in its attempt to have ratification postponed. The President issued a statement recalling that the original agree-

* *Le Monde*, 6 June 1977.

7 8 3 49 7 7

ment approving direct elections had been accepted unanimously on 15 July 1976 by the Cabinet, of which M. Chirac was then the leading member. During the ratification debate¹⁰ M. Chirac accused the President of lying, because he knew that M. Chirac had never agreed, on 15 July or before, to direct elections; he had always been against them and this had been one of the reasons for his resignation. This public washing of dirty linen moved M. Maurice Faure to wonder how a Prime Minister could lead a Government while being opposed to its policies. The rest of the debate was rather uninspiring, as if all the speakers recognized that the real issue was not on the agenda. No censure motion was tabled and the Bill was approved by the Senate on 24 June, with the Communists abstaining and the RPR absent. The Bill was signed into law on 30 June by President Giscard d'Estaing.

Was there ever a real debate? There probably would have been but for the imminence of general elections in March 1978. It was in few people's interest to allow the debate to develop because of the damage it could inflict within the parties or the rival coalitions. Instead, they all tried to exploit the potentially divisive nature of the issue in their intra- and inter-party bargaining. The spectacular and violent opposition to the Bill was marginal to this. It was characterized by 'intellectual bovaryism, political provincialism and moral defeatism'¹¹ and served to give the illusion of a major quarrel. The crisis which did occur was not really about Europe, but about who will govern France in April 1978.

¹⁰ *Le Monde*, 16 and 17 June 1977

¹¹ J.-M. Benoist, *ibid.*, 24 June 1977.

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